

In The

Supreme Court of the United States

October Term 1978

No. 78-1150

ANNE D. NICKOLA,

Petitioner,

VS.

**KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,**

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

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KAYDEE PRODUCTS COMPANY,

RESPONDENT.

PETITION FOR WRIT OF
CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE SIXTH CIRCUIT

Now comes the Petitioner, Anne D. Nickola, by her attorneys, and prays that a Writ of Certiorari be issued to review the Decision entered June 23, 1978 by the United States Court of Appeals for the Sixth Circuit in the matter of Anne D. Nickola v. Kenneth Peterson d/b/a Kaydee Products Company, Case No. 76-1916. A Petition for Rehearing was denied by the Sixth Circuit Court of Appeals on October 27, 1978.

OPINIONS

The Opinion of the United States Court of Appeals for the Sixth Circuit, dated June 23, 1978, is attached hereto (A1)*. This Decision is reported in 580 F 2d 898; 198 U.S.P.Q. 385.

The Order Denying Rehearing, dated October 27, 1978, is attached hereto (A48).

The Memorandum Opinion and Order of the United States District Court for the Eastern District of Michigan, Southern Division-Flint, dated March 5, 1976, is attached hereto (A49).

JURISDICTION

The Opinion of the United States Court of Appeals for the Sixth Circuit was decided and filed June 23, 1978. The Order Denying Rehearing was filed October 27, 1978. This Petition for Writ of Certiorari is being filed less than ninety days from the aforesaid date. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

QUESTION PRESENTED

This patent infringement case was tried before a jury instructed that the infringer, Peterson, who challenged the validity of the Nickola patent, had the burden of proving facts to overcome "the patents presumption of validity". The jury found the patent valid in a special verdict. The trial court set aside that portion of the special verdict relating to the condition of "obviousness" (35 U.S.C. 103) and found the patent invalid. The question is:

*A references refer to pages of Appendix.

WHETHER THE TRIAL COURT EXCEEDED ITS JURISDICTION, AS LIMITED BY THE SEVENTH AMENDMENT OF THE UNITED STATES CONSTITUTION, BY SETTING ASIDE A JURY VERDICT FAVORING VALIDITY OF THE NICKOLA PATENT, AND THEN FINDING THAT THE INFRINGER, PETERSON, HAD MET HIS STATUTORY BURDEN OF PROOF, UNDER 35 U.S.C. 282, BASED UPON THE SAME EVIDENCE PASSED UPON AND REJECTED BY THE JURY.

STATUTES, FEDERAL RULES, AND REGULATIONS INVOLVED

The Seventh Amendment of the United States Constitution reads:

"Trial by jury in civil cases. In suits at common law, where the value in controversy shall exceed \$20, the right of trial by jury shall be preserved and no fact tried by a jury shall be otherwise re-examined in any court of the United States, than according to the rules of common law."

Pertinent sections of the Patent Act are 35 U.S.C. 103, which reads:

"Conditions for patentability; non-obvious subject matter. A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious

at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

35 U.S.C. 282 provides:

"A patent shall be presumed valid The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it."

BACKGROUND OF THE NICKOLA INVENTION

The Development of Mobile Home Park Utilities

Anne D. Nickola, Plaintiff-Appellant, a licensed journeyman electrician, has for many years operated a mobile home community near Flint, Michigan. During the early years of mobile home park development, electrical service to individual homes was distributed from "gang racked" meters and switch boxes. The meters and switch boxes connecting power to several homes were mounted on a single support with individual overhead lines connecting each meter to its corresponding home.

Gas service, on the other hand, during the 1950's, was normally supplied in a tank under pressure for cooking or heating. During the 1960's gas became available from the gas utilities in

underground trenches. Gas meters, like electrical meters, were also mounted in a "gang rack" fashion. Gas utilities feared the risk of mounting gas lines adjacent electric lines. This reluctance to mount both gas and electrical utilities on the same post still exists in some geographic areas.

The Problems of "Gang Racking"

Although "gang racking" utility service meters required fewer posts than mounting the meter for each home on an individual post, and thus appeared to be a logical way of supporting several gas and electric meters, gang racking presented many disadvantages. For example, the banks of meters and power boxes were unsightly and represented a safety hazard. It was difficult to determine from a bank of several gas meters which meter served a particular mobile home because the connecting conduits were hidden in underground trenches.

Several years ago, a fire occurred in the Nickola mobile home park. Firemen arriving at the scene were unable to determine which meter was connected to the burning home since they were confronted with a forest of utility posts and meters. Consequently, they battled the flames without being certain that they had shut off gas and electricity to the burning home.

As it happened, much to Nickola's relief, the firemen extinguished the blaze in routine order. As the result of this fire, Nickola started thinking of the hazards existing in mobile home parks across the country.

The "Power Pack" Pedestal

Nickola made sketches of a pedestal for supporting all the utility services supplying each home on its own supporting post, rather than supplying several homes from the same post. She then made prototypes to show their superiority. They were the first utility pedestals for safely mounting both gas and electric utilities on the same post.

Nickola's pedestal, marketed under the name "Power Pack", is offered with a selection of electrical panels, having different amperages and inputs. Eventually, the "Power Pack" pedestal became widely and enthusiastically accepted by both the utility industry and the mobile home industry.

THE NICKOLA PATENT

On November 20, 1967, Anne Nickola, through her attorney, filed an application in the United States Patent Office to protect her novel pedestal. This application, after an examination by the Patent Office, ultimately issued as Patent No. 3,502,785 on March 24, 1970. Another application was filed December 3, 1970 on her invention because it became apparent that the invention was broader than the claims filed in the first application. The second application, after another full examination by the Patent Office, issued as Reissue Patent No. 27,400, (A63). This latter patent was litigated in this suit.

PETERSON'S INFRINGEMENT

Defendant-Appellee, Kenneth Peterson, became aware of Anne Nickola's activities during the late 1960's. Peterson decided to go into the business of supplying utility pedestals for mobile homes. He sold his product, a copy of the "Power Pack" pedestal, to Morley Brothers of Saginaw, Michigan and Advance Electric Supply Company of Flint, Michigan, who in turn sold Peterson's product to several Michigan mobile home parks.

THE TRIAL

The Patent Claims Litigated

Nickola started suit in the United States District Court for the Eastern District of Michigan, Southern Division-Flint, against Peterson, to obtain money damages for patent infringement with a pendent claim for wrongful use of trade secrets. She made a timely demand for a jury trial of all issues under Federal Rule 38. Ultimately, the jury returned a general verdict for Peterson on the trade secret count. Neither party appealed the trade secret aspect of the trial.

The patent issues were submitted to the jury in the form of a "Special Verdict As To Issues of Validity, Infringement and Damages" with fifteen numbered interrogatories. The jury found Claims 4 and 21 of the patent valid, infringed, and awarded Nickola \$6,230 in damages. Neither party appealed the infringement verdict of the jury.

Claims 4 and 21 define the Nickola invention (A74 and A76).

Peterson's Challenge to the
Validity of the Nickola Patent

Peterson's defense was to challenge the validity of the Nickola patent, alleging that it failed to satisfy the requirement of "novelty and the requirement of non-obviousness" of the Patent Act.

Nickola's Prima
Facie Case for Validity

At the trial, the official ribbon copy of the Nickola patent, issued by the Commissioner of Patents, and a certified copy of the Patent Office file wrapper, the official record of the papers in the Patent Office, were offered into evidence. Both exhibits were received without objection from Peterson.

An experienced patent attorney, Allen Krass, was examined by Nickola to explain the procedure by which a patent is obtained, and the contents of the "file wrapper" to the jury. Peterson chose not to cross-examine Mr. Krass.

Anne Nickola testified to the background of her invention and the sale of forty to fifty thousand units of her "Power Pack" pedestal.

Evidence was received on behalf of Nickola that her invention had been approved by Michigan Bell Telephone Company, Consumers Power Company, Michigan Consolidated Gas Company, Michigan Mobile Home Association, National Mobile Home

Association, Mobile Home Manufacturers Association, and Michigan State Electrical Administration. This evidence was corroborated by several documentary exhibits received into evidence without objection. Nickola further testified that she had the approval of Pennsylvania Power, New Jersey Power & Light, Southeastern Gas, Florida Power & Light, and other utilities.

There was testimony that the patented pedestal was the first one observed within the broad experience of several witnesses. For example, Paul Dins, Manager of the Electrical Department of Morley Brothers, Saginaw, Michigan, who had been with Morley Brothers for thirty-eight years, had never seen a combination gas and electrical pedestal before he became aware of the Nickola pedestal. John Gribble stated that in his twenty-four years of experience with Consumers Power Company of Jackson, Michigan, he had never seen a combination gas and electrical pedestal before he became aware of the Nickola pedestal. Andrew Fenchak, District Manager for Graybar Electric Company, a national wholesale distributing company, with twenty-five years experience, testified that he was excited by Anne's product when he first became aware of it, describing it as:

" . . . there was no other product on the market that I had come to know . . . whereby we could put all of these utilities, all four of these utilities on one particular application to provide gas service, electrical service, telephone service, M.A.C.T. service . . ."

Kenneth DeVernon, Technical Metering Supervisor for Consumers Power Company, with thirty years experience had been a member of the Product Evaluation Division of Consumers Power Company since its inception in 1968. This committee was established to evaluate mobile home metering pedestals. He testified that Anne's combination gas and electrical pedestal was the first one approved by Consumers Power Company.

Peterson's Evidence In Support
Of His Defense of Invalidity

To meet his burden of "establishing invalidity" (35 U.S.C. 282), Peterson offered only two witnesses, himself and Mr. Francis Boyle. Mr. Boyle, who had had experience in building and selling utility pedestals prior to 1966, was Peterson's only witness qualified as having "ordinary skill in the art" (35 U.S.C. 103) as that term was defined by the trial court in its charge to the jury. Peterson himself was incompetent to testify to the condition of "obviousness" under 35 U.S.C. 103 because, he had no experience in the pertinent art "as of the time" of Nickola's invention in 1966.

Mr. Boyle testified that he thought it was obvious to mount a gas meter and an electrical meter on the same pedestal in 1966.

Boyle's credibility was crucial insofar as the jury was concerned. This is because, as the Sixth Circuit Court of Appeals acknowledged (A7) Boyle was Peterson's only witness to challenge the Nickola patent regarding non-obviousness.

Boyle's fundamental dishonesty was clearly revealed to the jury during cross-examination. For example:

1. Boyle admitted that he had a brochure printed in 1966 describing his pedestal. The brochure was sent to Consumers Power in July, 1966, and stated:

"Mechanical patent applied for."

Boyle admitted under oath that this statement was untrue. This was evidence of Boyle's dishonesty in dealing with Consumers Power Company.

2. Boyle admitted under oath that he had offered his pedestal for sale more than one year prior to the date that he had filed the patent application on July 12, 1967. Boyle identified his signature in the official file wrapper of his application where he had affirmatively told the Patent Office that he had not offered his invention for sale more than one year prior to the application. Boyle had deliberately misled the Patent Office.

3. During cross-examination Boyle admitted that a brochure which he had printed and used in 1968 had the language "patented" on it. He admitted that at such time, his pedestal, in fact, was not patented.

This pattern of Boyle's disregard for the truth, brought out in cross-examination, destroyed his credibility before the jury regarding his opinion that the Nickola invention was "obvious".

Regarding patent validity, Boyle admitted during cross-examination that in 1967, he considered it unsafe to mount both a gas meter and an electric meter on the same post. His subjective reaction opposed the combination of elements that formed the subject matter of the Nickola invention. He continued to consider it unsafe at the time of the trial in 1975.

Boyle further admitted that he was surprised when Consumers Power Company first approved the Nickola combination.

Nickola's Evidence In Rebuttal

In rebuttal, Nickola testified that her invention was not obvious to one skilled in the art in 1966. This testimony was offered for the purpose of rebutting Boyle's testimony to the contrary, and was received without objection by Peterson.

The jury had an opportunity to physically examine one of Nickola's pedestals to determine how it functioned and to compare, in their own mind, Boyle's testimony to Nickola's testimony and decide who was telling the truth.

There was further testimony that there had been no accidents reported even though fifty thousand units had been sold. There was evidence as to why the combination was safe. The gas meter is mounted adjacent the ground to reduce the amount of gas conduit exposed to rupture by moving vehicles. The electric meter is mounted at a greater height than the gas meter so

that the electric meter is suitable for reading by the meter reader and for preventing exposure to the elements such as snow and the like during inclement weather. The patent explained why the combination was safe due to the manner in which the post is grounded.

Jury Instructions

After both parties closed their respective cases, the Court instructed the jury regarding their role as the "sole" finders of fact. These included:

"The granting of a patent by the United States Patent Office carries with it a presumption that the patent is valid. This presumption of validity, when applied to your duty as jurors, means that it is presumed that differences do exist between plaintiff's claimed invention and the prior art and that the claimed invention shows more ingenuity and skill that (sic) that possessed by a person of ordinary skill in the particular art."

And:

"Defendant has the burden of proving . . . that there are no differences between Claim No. 4 and Claim No. 21 of the Nickola reissue patent and the prior art; that any differences do not show more ingenuity and skill than that

possessed by a person of ordinary skill in the particular art at the time of the claimed invention. . ."

"As I have already explained, defendant also has the burden of overcoming the patent's presumption of validity."

Neither party objected to these instructions.

THE JURY'S SPECIAL VERDICT
FAVORED VALIDITY

Six of the Interrogatories answered by the jury in the Special Verdict are material to validity of the patent:

Interrogatory No. 1

"Is Plaintiff's claimed invention 'different' from the prior art by its combining an electric power box and an electric meter on an upright elongated post with a fuel metering means, such as a gas meter, as stated in Claim No. 4 of Nickola Reissue Patent No. 27,400?"

Jury's Answer: Yes

Interrogatory No. 2

"Does the combination of a fuel metering means, such as a gas meter, with an electric meter box, an electric power box, and an elongated pole, as stated in Claim No. 4 of the Nickola Reissue Patent No. 27,400

produce a combined result other than the result produced by a fuel metering means, an electric power box, an electric meter, and an elongated pole operating separately?"

Jury's Answer: Yes

Interrogatory No. 3

"Would a person of ordinary skill in the utility meter and power box mounting art at the time of the claimed invention have found the combined result of a fuel metering means, an electric power box, electric meter, and an elongated pole, as stated in Claim No. 4 of Nickola Reissue Patent No. 27,400 to be unusual and unexpected?"

Jury's Answer: Yes

Interrogatory No. 4

"Is Plaintiff's claimed invention 'different' from the prior art by its combining electrical wiring, some of which runs upwardly along the upright pole and electrically connects to the electric meter, and some of which is connected to and extends from the power box, with the electric meter, electric power box, and fuel metering means as set forth in Claim No. 21 of Nickola Reissue Patent No. 27,400?"

Jury's Answer: Yes

Interrogatory No. 5

"Does the combination of an electric meter and an electric power box with associated electrical wiring, a post, and a heating fuel metering means as set forth in Claim No. 21 of Reissue Patent No. 27,400 produce a combined result differing from the results produced by the electric meter and power box with associated wiring, a post, and a heating fuel metering means operating separately?"

Jury's Answer: Yes

Interrogatory No. 6

"Would a person of ordinary skill in the utility meter and power box mounting art at the time of the claimed invention have found the combined result of electric wiring, a fuel metering means, an electric power box, electric meter box, and an elongated pole as stated in Claim No. 21 of Nickola Reissue Patent No. 27,400 to be unusual and unexpected?"

Jury's Answer: Yes

The above answers, all favoring validity, are the complete record of the jury's resolution of the evidence offered by the parties regarding validity. There is nothing in these answers supporting

invalidity. The jury clearly rejected Peterson's evidence of invalidity.

JUDGEMENT NOV

After the jury answered all the interrogatories favoring validity Peterson filed a written Motion for Judgement Notwithstanding the Verdict or Alternatively for a New Trial accompanied by a Memorandum concerning "invalidity as a matter of law."

The District Court granted Peterson's Motion for Judgement NOV, denied the alternative Motion for a New Trial, set aside the jury's answers to Interrogatories 2, 3, 5, and 6 regarding validity, declared the two patent claims invalid and entered Judgement for Peterson.

APPEAL TO THE SIXTH
CIRCUIT COURT OF APPEALS

Nickola appealed the invalidity decision to the Court of Appeals for the Sixth Circuit, with specific reference to the issue as to whether or not Peterson had met his statutory burden of proof, as the infringer, considering that there was nothing in the jury's verdict to provide factual support for the Court's invalidity decision.

The Sixth Circuit Court of Appeals reversed the District Court as to his finding of invalidity regarding the statutory condition of "novelty", but affirmed the trial Court's decision holding the patent invalid under 35 U.S.C. 103.

Nickola filed a Petition for Rehearing pointing out that there was no factual support in the jury's verdict for the Court's legal conclusion of invalidity, and that the trial Court's decision of invalidity had been reached only by substituting the trial Judge's evaluation of the infringer's evidence for the evaluation by the jury, a practice expressly prohibited by the Seventh Amendment of the United States Constitution.

The Sixth Circuit Court of Appeals denied the Motion for Rehearing and refused to face the Seventh Amendment issue.

REASONS FOR GRANTING THE WRIT OF CERTIORARI

This Petition for Writ of Certiorari should be granted to review a routine practice by many federal courts of "re-examining" facts in patent jury cases. This practice violates the constitutional rights of patent owners under the Seventh Amendment.

THE QUESTION OF "OBVIOUSNESS" DEPENDS UPON FACTS

The Supreme Court has stated in practically every patent case coming before it in recent years that the question of obviousness of a patent under 35 U.S.C. 103 depends upon facts.

For example, in Graham v. John Deere, 383 US 1, the landmark case regarding the condition of non-obviousness, the Court stated:

"Manifestly, the validity of each of these patents turns on the facts"

And again in Sakraida v. AG Pro, Inc., 96 S. Ct. 1532:

". . . but resolution of the obviousness issue necessarily entails several basic factual inquiries."

Even the Court of Customs and Patent Appeals, which probably handles more patent cases than any other court in the country, stated In re Warner and Warner, 154 U.S.P.Q. 173(1967):

"The Supreme Court in Graham and Adams, supra, foreclosed the use of substitutes of facts in determining obviousness under Section 103. The legal conclusion of obviousness must be supported by facts. Where the legal conclusion is not supported by facts, it cannot stand."

This is mentioned because the author of the Opinion of the Circuit Court of Appeals in this case was the Honorable Howard Markey, Chief Judge of the Court of Customs and Patent Appeals, who more than anyone else should have been aware that the issue of obviousness depends upon findings of fact.

Even Judge Harvey, the trial Judge in this case, stated before this case went to the jury:

"There are issues of fact that go to the jury as to the validity of the patent."

THE ISSUES OF FACT

In his jury instructions, Judge Harvey instructed the jury as to several "questions of fact" to be determined by them, relevant to the validity of the patent:

- "1. The state of the prior art at the time of the claimed Nickola invention;
2. The differences there are, if any, between plaintiff's patented pedestal and the prior art;
3. Whether any differences between plaintiff's patented pedestal and the prior art produces a new result;
4. The level of ordinary skill in the utility metering and the power box mounting art at the time of the claimed Nickola invention . . ."

THE JURY HAS EXCLUSIVE JURISDICTION FOR EVALUATING EVIDENCE AND FINDING FACTS

The language of the Seventh Amendment defines in clear terms the line separating the role of the jury and that of the Judge.

The role of the jury is to pass on the evidence and determine facts. Dimick v. Schiedt, 293 U.S. 474, 486. Until recently, this has always been true in patent cases. See for example,

Battin v. Taggart, 58 U.S. (17 How) 74 (1854); Haines v. McLaughlin, 135 U.S. 584, 597:

"The question of anticipation is exclusively for the jury to determine as are all questions of fact."

See also Keyes v. Grant, 118 U.S. 54 where the Supreme Court reversed the trial Court for withdrawing the case from the jury.

In this case, numerous witnesses were relied upon to prove the facts. It has always been the jury's exclusive province to judge the credibility of witnesses and the weight of their testimony. These are matters on which the Court can not interfere. As in any other case tried before a jury, the reviewing Court must presume that the disputed matters of fact have been resolved favorably to the prevailing party in accordance with the trial Judge's instructions. Panther Pumps & Equipment Company v. Hydrocraft, Inc., 468 F 2d 225, 175 U.S.P.Q. 577, at 579.

Thus a finding that a patent is "obvious" requires factual support, and such factual support can only come from the jury's evaluation of the evidence.

THE INFRINGER HAS THE BURDEN OF PROOF

The infringer in a patent suit has always had the burden of presenting credible evidence to the "finder of fact" to support his challenge to the validity of the patent.

"For the grant of Letters Patent is prima facie evidence of its novelty . . . the issue of the patent is enough to show, until the contrary appears, that all the conditions under which a discovery is patentable in accordance with the statutes have been met. Hence, the burden of proving want of novelty, is upon him who avers it . . . Not only is the burden to make good this defense upon the party setting it up, but his burden is a heavy one, as it has been held that 'every reasonable doubt should be resolved against him'. Mumm v. Decker, 301 US 168, 171, 33 U.S.P.Q. 247, 249.

The Patent Act of 1952 codified this burden in 35 U.S.C. 282:

"A patent shall be presumed valid . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it."

The trial Court acknowledged this burden in its instructions to the jury. The Court of Appeals paid lip service to the infringer's burden of proof in its Opinion. (A40)

"The opinion below includes the statement that there was 'no evidence on which a finding of non-obviousness could be based'. . . . The better statement would have been that

there was 'no evidence to rebut that offered by Peterson in support of a legal conclusion of obviousness'. Absent facts established by him who has the burden of proving obviousness, 35 U.S.C. 282, evidence on which to base a legal conclusion of non-obviousness is unnecessary."

The Court of Appeals then went on to find that Nickola had failed to meet her burden of proof, without identifying what credible evidence was "offered by Peterson" and accepted by the jury in support of obviousness.

THERE IS NO FACTUAL SUPPORT FOR
A FINDING OF "OBVIOUSNESS"

Since Peterson, the infringer, had the burden of proving obviousness (35 U.S.C. 282) and since obviousness requires factual support (Graham v. John Deere) it therefore follows, as night follows day, that there must be some "factual" as opposed to "evidentiary" support in the record for a finding of "obviousness".

There is a complete absence in the jury's special verdict of any factual basis for a conclusion of obviousness. By setting aside the answers to Interrogatories 2, 3, 5, and 6, the trial Court acknowledged that the jury's findings were inconsistent with his analysis of the evidence. But setting aside the jury's verdict created

a vacuum, it did not create facts.

In making the determination of "obviousness", it is important to remember that the criterion is measured not in terms of what would be obvious to a layman, but rather what would have been obvious to "one reasonably skilled in (the applicable) art". Dann v. Johnston, 425 US 219, 189 U.S.P.Q. 257.

The trial Judge was never qualified as being competent in the "art" of the Nickola invention as that term was defined in his jury instructions. Therefore, he had to look to the facts as found by the jury to find factual support for obviousness. But there are none.

The jury did not believe Boyle. It did believe Nickola. Credibility of witnesses has always been a classical issue of fact.

"The resolution of conflicting evidence, credibility of witnesses and the weight of the evidence are matters within the province of the jury . . ."
U.S. Phillips Corp. v. Ferro Corp., 522 F 2d 1100, 187 U.S.P.Q. 283, 285.

Nevertheless, the trial Court formed his own factual support for "obviousness" based on the same evidence heard and rejected by the jury. This practice clearly exceeds the jurisdiction of the trial Court as limited by the Seventh Amendment.

The trial Court justified his Opinion by labelling the issue of non-obviousness as being a "question of law" and then proceeded as if this were a motion for summary judgement in which there are no issues of fact. However, any issue of law that depends upon facts has to be decided consistent with the facts. Where the "finder of fact" finds all the evidence favoring validity, then the Court has no discretion but to find the patent valid. Similarly, if the facts all supported invalidity, the Court would have no discretion but to find the patent invalid.

THE ANALYSIS OF THE COURT OF APPEALS

The Sixth Circuit Court of Appeals refused to acknowledge that the Seventh Amendment limits the jurisdiction of the trial Judge to decide facts in a jury case. The Court of Appeals cited several cases supporting the proposition that "obviousness" in a "question of law". But each case was one in which the jury was not the "finder of fact". The best evidence of this misunderstanding of the distinction between the role of the judge and the jury regarding findings of fact was the citation (A37) in referring to the Graham guidelines that:

"When the District Court determines items numbered 1, 2, and 3, it makes findings of facts which are binding on appeal . . ." (Emphasis Added)

But the District Court does not have jurisdiction to make such "findings of facts" in a jury case except by depriving the patent owner of her constitutional right to a jury determination.

Furthermore, although the Court of Appeals noted the infringer's statutory burden, its final conclusion clearly shows that it considered that the patent owner, Nickola, not the infringer, Peterson, had the burden of proof. Shifting the burden of proof from the infringer to the patent owner is in complete conflict with 35 U.S.C. 282.

The Opinion (A47) in stating:

"We concur also in the District Court's implicit holding that the jury could not reasonably have found facts sufficient to support a legal conclusion that Claims 4 and 21 are valid."

refers to Nickola's burden to offer evidence of facts supportive of validity. This ignores the Appeal Court's own statement that before Nickola has to offer evidence of validity, the infringer, Peterson, has to offer facts of invalidity, and that in the absence of such facts of invalidity, it is unnecessary for Nickola to offer evidence supporting validity. Nowhere does the Court of Appeals point out Peterson's facts of invalidity. The opinion comprehensively discusses the evidence which is nothing more

than a "re-examination" of the facts, a practice prohibited by the literal language of the Seventh Amendment.

The fact is that there is no factual basis in the Appeal Court's Opinion to support invalidity, only testimony evaluated by the Court of Appeals, which never had the opportunity to judge the credibility of any of the witnesses, such as Boyle, on the issue of obviousness.

THE DISTINCTION BETWEEN THIS APPEAL AND OTHER APPEALS ON A JUDGEMENT NOV

The material distinction between this appeal and other appeals regarding Judgement NOV is that in a typical case where the trial Court grants a Judgement NOV, the Court finds that the jury has accepted evidence insufficient to support the burden of proof of the party having such burden. The Court thereupon sets aside the jury's verdict and either finds for the other party or grants a new trial.

In this case, the trial Court judged the same evidence rejected by the jury, and accepted such evidence to support Peterson's burden of proof. This practice is unprecedented in any other branch of civil law.

In a criminal case where the prosecution has not offered sufficient evidence to support the charge, the Court then clearly has the jurisdiction to set aside the jury's verdict and find in favor of the Defendant on the basis that the party having the burden of proof, the prosecution, has not met the

burden. This case represents the analogous situation where although the jury finds the Defendant not guilty, the Court passes upon the same evidence and finds a factual basis for finding the Defendant guilty.

But in a criminal case:

"No matter how positive the evidence of a man's guilt may be, the jury may find him not guilty and no court has any power to do anything about it." State v. Lawrence, 120 Utah 323, 329-330; 234 P 2d 600.

And yet that is exactly what the trial Court has done in this case. The jury rejected Boyle's testimony and all the other evidence offered by the infringer to challenge validity. The trial judge then ignored his own jury instructions regarding the jury's role as the "sole" finder of fact, and set aside the jury's findings of fact, as represented by the answers to the special verdict. The Court then substituted his own judgement for that of the jury as to the credibility of the witnesses as to all the disputed questions of fact.

THE FEDERAL COURTS ARE DIVIDED AS TO THE ROLE OF THE JURY IN A PATENT TRIAL

This case is not an isolated patent case where the trial Court has ignored the Seventh Amendment. Although the federal Courts virtually all agree that patent owners have a constitutional

right to a trial by jury, the Courts in the Third, Fifth, Sixth, and Seventh Circuits routinely set aside the jury's findings of fact in order to declare a patent invalid. It is typical in such cases for the Court of Appeals, in review, to completely ignore any limitations on the trial Court's jurisdiction as the "finder of fact" by the Seventh Amendment. See for example, Layne-New York Co., Inc. v. Allied Asphalt Co., Inc., 183 U.S.P.Q. 132, 501 F 2d 405 (3rd CA); Swofford, et al v. B & W, Inc., 158 U.S.P.Q. 72, 395 F 2d 362 (5th CA); Reynolds-Southwestern Corp. v. Dresser Industries, Inc., 152 U.S.P.Q. 530, 372 F 2d 592 (5th CA); Monroe Auto Equipment Co. v. Heckethorn Mfg. and Supply Co., 141 U.S.P.Q. 549; 332 F 2d 406 (6th CA); Pederson v. Stewart-Warner Corp., 192 U.S.P.Q. 20, 536 F 2d 1179 (7th CA). As in this case, the Courts of Appeal invariably either refuse or fail to acknowledge the existence of the Seventh Amendment.

On the other hand, the Courts in the First, Fourth, and Tenth Circuits do recognize that the Seventh Amendment determines who decides the facts necessary to support a finding of invalidity. See Spound v. Mohasco Industries, Inc., 190 U.S.P.Q. 1, 534 F 2d 404 (1st CA 1975); Tights, Inc. v. Stanley, 169 U.S.P.Q. 578, 441 F 2d 336 (4th CA); Moore v. Schultz, 180 U.S.P.Q. 548, 491 F 2d 294 (10th CA); Radial Lip Machine Inc., v. International Carbide Corp., 195 U.S.P.Q. 757 (DC ND Ill.).

This division among the circuits, one way or the other, influences the outcome of many patent trials each year. Justice Douglas, in his dissenting opinion in the denial of the Petition for Writ of Certiorari to the Court of Appeals for the Tenth Circuit in Schultz et al v. Moore, 183 U.S.P.Q. 385, noted this division among the circuits in 1974. It is now 1979, five years and many patent trials later, and the conflict remains unresolved by the Supreme Court.

THE REASON FOR THE DIVISION AMONG THE FEDERAL COURTS

The Federal Courts that refuse to acknowledge that the Seventh Amendment imposes limitations on the Court in a patent jury trial, invariably state that "obviousness" is a question of law" and rely upon non-jury cases for this proposition, usually Graham v. John Deere, supra or A & P Tea Company v. Supermarket Corp., 340 US 147 at 155, 87 U.S.P.Q. 303. These non-jury cases never discussed the role of the jury in a patent case and certainly are no support for denying the historical participation of the jury in a patent trial.

If the Court can ignore the clear and mandatory prohibition of the language of the Seventh Amendment and find the patent invalid, regardless of the jury's judgement of the infringer's evidence, then there is no longer any right to a jury trial in patent cases.

In this case, the Sixth Circuit Court of Appeals refused to acknowledge

the Seventh Amendment exists. After stating that validity is a question of law, it proceeded to judge the credibility of witnesses, such as Boyle, and to give weight to evidence rejected by the jury. But the language of the Seventh Amendment permits no such discretion. The same Court would hesitate to exercise such discretion in any other area of the law.

As Justice Stevens stated, as a member of the Seventh Circuit Panel in Panther Pumps and Equipment Co. v. Hydro-Craft, Inc., 175 U.S.P.Q. 577, 468 F 2d 225:

"... the rules governing the trial of patent cases are no different than in other types of civil litigation . . . in a patent case as in any other case tried before a jury, questions of law are for the Court and questions of fact are for the jury."

CONCLUSION

Most patent infringement suits now include a challenge by the infringer to the validity of the patent. Infringers in certain circuits invariably include a challenge to the "non-obvious" condition of 35 U.S.C. 103 because they know that they are insulated from a jury consideration of the evidence. Patent owners in other circuits are at a loss as to whether or not to demand a jury because of the uncertainty as to whether the Judge or the jury will decide the facts. This is because

certain Federal Courts are placing an interpretation on the language in Graham v. John Deere, supra, that the "ultimate question of validity is one of law", never intended by the Supreme Court, to circumvent the Seventh Amendment limitations on a trial Court in a jury case. The Sixth Circuit Court of Appeals is one such Court.

Other Courts, such as the Tenth Circuit Court of Appeals, believe that non-obviousness, vis-a-vis validity, is itself a factual question submissible to a jury.

It is frightening to realize that in this day and age when the Federal Courts are regarded as the guardian of constitutional rights, they are themselves routinely ignoring the constitutional right to a jury trial to patent owners--and refusing to reconcile their practice with the Seventh Amendment.

"Special and important reasons for the grant of certiorari in these cases are certainly present when lower federal and state courts persistently deprive litigants of their rights to a jury determination." Rogers v. Missouri Pacific R. Company, 352 US 500, 510.

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No. 76-1916

UNITED STATES COURT OF APPEALS

FOR THE SIXTH CIRCUIT

Anne D. Nickola,

Plaintiff-Appellant,

v.

Kenneth Peterson d/b/a
Kaydee Products Company,

Defendant-Appellee

Appeal from the United States District
Court for the Eastern District of Michigan
Southern Division.

Decided and Filed June 23, 1978.

Before: CELEBREZZE, Circuit Judge,
Lively, Circuit Judge, and Markey, Chief
Judge of the U.S. Court of Customs and
Patent Appeals.*

Markey, Chief Judge, Court of
Customs and Patent Appeals.

Appeal under 28 U.S.C. Section 1291
by plaintiff-patentee, Anne D. Nickola
(Nickola), from the district court's patent
invalidity decision after a six-day jury
trial.¹ The complaint against defendant,

* Honorable Howard T. Markey sitting by
designation.
¹410 F. Supp. 590, 193 USPQ 443 (E.D. Mich.
1976).

Kenneth Peterson d/b/a Kaydee Products Company (Peterson), contains count I, alleging infringement of claims 4 and 21 in Nickola's patent,² and count II, alleging wrongful use of trade secrets. In a special verdict of fifteen interrogatories, the jury found for Nickola on the patent count and determined her damages as \$6,230.00. On the trade secret count, the jury returned a general verdict for Peterson. The district court then granted Peterson's motion for judgement notwithstanding the verdict on the patent count, denied his alternative motion for a new trial, set aside part of the special verdict, declared the two patent claims invalid, and entered judgement for Peterson on both counts. Nickola appeals only the patent invalidity decision. We affirm.

The Invention

The invention, intended to furnish gas and electric services to individual mobile homes, is the combination of an upright post, with an electric power box an electric meter, and a heating fuel meter (e.g., a gas meter) mounted on the post.

² Reissue Patent No. 27,400 for "Mounting Pedestal For Utilities", granted June 20, 1972 reissuing Patent No. 3,502,785 granted March 24, 1970 on an application filed November 20, 1967.

Fig. 2 in Nickola's patent is reproduced here:

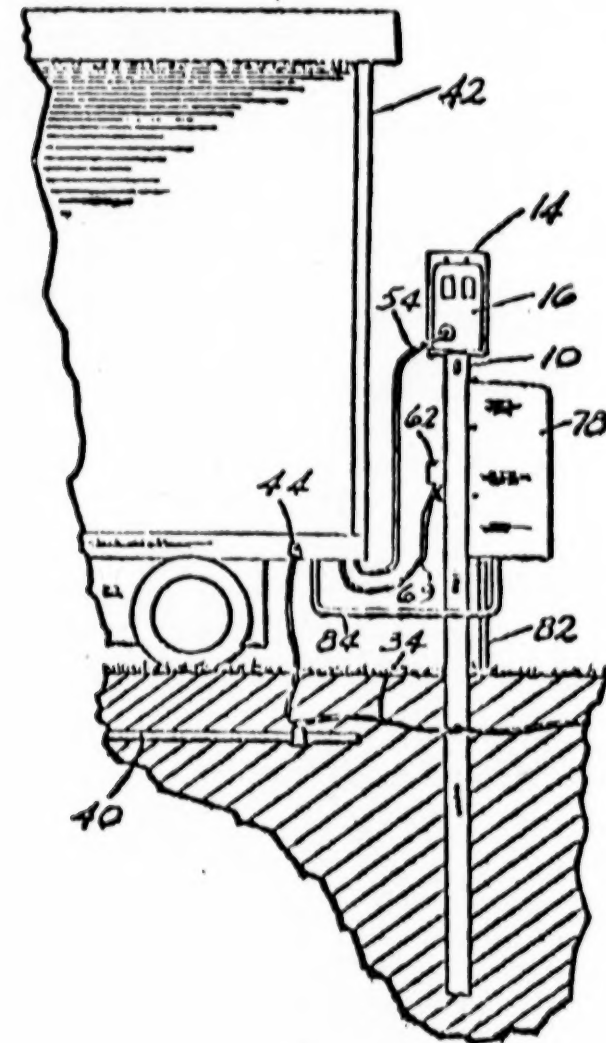


FIG. 2

Referring to Fig. 2, the patent describes a mobile home 42, an elongated post 10, "conventional" electric meter 14, "conventional" electric power box 16, electric cable 54 connecting the power box to the mobile home, ground wire 34

connecting "conventional" mobile home ground wire connection 44 to "conventional" underground metal water pipe 40, "conventional" gas meter 78, "conventional" gas pipes 82 and 84, "conventional" telephone box 62, and "conventional" telephone cable 69.

Claim 4 recites a combination of four structural elements:

- "4. [1] An elongated post mounted in an upright position,
 [2] an electrical meter and
 [3] an electrical power box mounted on the upper end of said post on opposite sides thereof, [and]
 [4] a heating fuel metering means mounted to said electrical power box."
 [Bracketed matter and paragraphing added.]

Claim 21 recites a combination of six structural elements:

- "21. [1] An elongated post mounted in an upright position,
 [2] an electrical meter and
 [3] an electrical power box mounted to said post,
 [4] electrical wires extending upwardly along said post and electrically connected to said meter,
 [5] an electrical wire connected to and extending from said power box, and
 [6] a heating fuel metering means mounted to said post."
 [Bracketed matter and paragraphing added.]

Nickola's company, Adnic Products Co., sells a metal post 8 ft. in length, with an L-shaped mounting plate on one end, bearing the trademark POWER PACK PEDESTAL. The post and an electric power box are sold as a unit.

The buyer (e.g., a mobile home park operator) installs the unit in an upright position by burying approximately half of the post in the ground at a mobile home site. The local utility company provides underground gas and electric service to the post, and also provides and mounts the gas and electric meters on the post.

The Trial Testimony

Trial was in November, 1975. Nickola, who demanded a jury trial,³ testified, so far as material here:

That she was manager of a mobile home park; that in about 1960 electric meters for mobile homes were mounted on a "gang rack" at the rear of the park; that in about 1965, when gas service became available, the gas meters were also mounted on a gang rack at the rear of the park, with individual underground supply lines running from each gas meter to a mobile home site; that the next event was introduction of an "electrical pedestal" mounting an electric meter at each mobile home, replacing the central gang rack of electric meters; that she then "introduced the first safe pedestal that combined gas and electric."

³ Under Fed. R. Civ. P. 38.

Nickola told of a mobile home fire in about 1965, when firemen fought against "live gas and live electric" because they had disconnected the "wrong gas" and "wrong electric" at the gang racks, and that, in conceiving her invention in May, 1966, she "put something together and worked it out where utilities could be on the same device."

Nickola said her first pedestals for gas and electric meters were approved for her park by the local utility (Consumers) and placed in service on December 18, 1967. She consulted a patent attorney, had prepared a "Record of Invention" form dated April 26, 1967, and had filed her original patent application in the Patent Office (now the Patent and Trademark Office) on November 20, 1967 (exhibit 4). She said that, with commercial sales beginning in 1968, "40 to 50,000" units had been sold.

On cross-examination, she answered that the gas meter, the electric meter, and the other devices which can be mounted on the post, each "work independently of the other."

Kenneth DeVerna, long time employee of Consumers and member of its product evaluation committee, testified that, to his knowledge, Nickola's pedestal was the first approved by his company for combined gas and electric service. John D. Gribble, another Consumers employee, gave essentially the same testimony.⁴

⁴ Nickola presented additional exhibits and seven more witnesses. Discussion of that evidence, directed primarily to infringement, damages, and trade secrets, is unnecessary.

When Nickola rested, Peterson moved orally for a directed verdict on the ground that Nickola had not proved infringement. That motion being denied, Peterson testified primarily with respect to infringement and trade secrets. Peterson then presented Francis B. Boyle as "an expert in the art relating to utility pedestals."

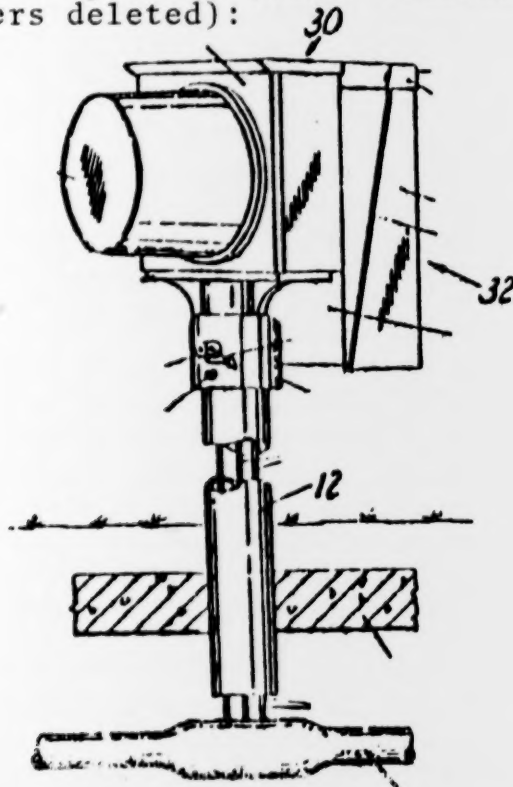
In summary, Boyle testified that from 1962 until his retirement in 1972 he had been designing, manufacturing, and installing utility pedestals; that one of his mobile home pedestals was an elongated post mounting an electric meter and an electric power box, as shown in a photograph dated September, 1963; that in 1963 or 1964 "customers" requested him to "put a hole in there [in the post] for the mounting bracket to support a gas meter," that he designed a second utility pedestal like his first, as shown in a photograph dated June, 1966; that Consumers approved his second pedestal for mobile homes on July 8, 1966; that on the same day he visited Nickola and offered to supply his pedestals; that "in the summer of 1966," in his opinion, it would have been "obvious * * * to mount a gas meter and an electric meter and power box on the same pedestal,"⁵ though

⁵ Nickola's counsel objected to the question which prompted this testimony on the ground that it called for "the ultimate legal conclusion for the Court to make." The district court correctly overruled the objection, citing Fed. R. Evid. 704:

"Rule 704. OPINION ON ULTIMATE ISSUE
"Testimony in the form of an opinion or inference otherwise admissible is not objectionable because it embraces an ultimate issue to be decided by the trier of fact."

he "didn't like the idea of mounting a gas meter on the same post as an electrical meter" because if "the [gas] pipe broke and there were a spark, it would ignite;" and that his second pedestal is described in U.S. Patent No. 3,450,951 (exhibit 13), for "Outdoor Electrical Meter Box and Service Outlet For Mobile Homes," granted June 17, 1969 on an application filed July 12, 1967.⁶

⁶ Boyle's patent, cited without objection as prior art by the patent examiner in Nickola's reissue application, depicts in Fig. 1 an electric meter 30 and electric power box 32 mounted on vertical post 12 (other reference numbers deleted):



In rebuttal, Nickola gave her opinion that it would not have been obvious in May, 1966 (her conception date) "to combine both a gas meter and an electric meter on the same post" because gas "was just newly introduced," "there was a lot of opposition," and "people dislike the gas and electric on the same thing because of fires and dangers of that sort." She further stated that Boyle's visit to her occurred in September, 1968 (not on July 8, 1966).

Motions After the Close of Evidence

Peterson again moved orally for a directed verdict on the ground that Nickola had not proved infringement. That motion was denied. Nickola then moved orally for a directed verdict of patent validity, on the ground that Peterson had not overcome the statutory presumption of validity, and arguing that there had

⁷ 35 U.S.C. §282 (1970) provides in part: "§282. Presumption of validity; defenses. "A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it." The district court correctly stated, in its jury instructions, that the presumption is "merely a rule of evidence that requires the defendant to prove by clear and convincing evidence" the invalidity of the patent. Like other legal presumptions, that provided for in 35 U.S.C. §282 merely assigns the burden of proof, as the last (and redundant) sentence of the provision makes clear.

been "no evidence to go to the jury to challenge the validity of the patent under Sec. 102⁸ of the Patent Act, the

⁸35 U.S.C. §102 (1970) provides:

"§102. Conditions for patentability; novelty and loss of right to patent.

"A person shall be entitled to a patent unless--

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed or concealed it. In determining priority of invention there shall be considered not only

novelty requirement," nor "any competent testimony to go to the jury to challenge the validity of the patent under Sec. 103."⁹ In opposition, Peterson argued that the patent was invalid because "the combination of the elements such as electric power boxes and meters and gas meters is really an aggravation [sic, aggregation] of elements * * *, they have no other function among themselves or one upon the other" and because "the mounting of a gas meter on a pedestal which already supports an electric meter and a power box is obvious and was obvious at the time plaintiff made her invention, whenever she made her invention."

the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other."

⁹35 U.S.C. §103 (1970) provides:

"§103. Conditions for patentability; non-obvious subject matter.

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

The district court denied Nickola's motion for a directed verdict, stating "there are issues of fact to go to the jury as to the validity of the patent."

Aware that the trial judge intended to treat validity as a question of law, after submitting interrogatories to the jury, Nickola moved orally to submit the "issue of validity itself" to the jury because it "can be tried by the jury" under Fed. R. Civ. P. 38. In denying this motion, the district court observed that "it was held," in Graham v. John Deere Co., 383 U.S. 1, 17 (1966), "the question of patent validity is one of law."

The Special Verdict

Of the fifteen interrogatories answered by the jury in its special verdict,¹⁰ these six are material here:

"Interrogatory No. 1

Is plaintiff's claimed invention 'different' from the prior art by its combining an electric power box and an electric meter on an upright elongated post with a fuel metering means, such as a gas meter, as stated in claim no. 4 of Nickola reissue patent no. 27,400? Answer 'yes' or 'no'. Answer: Yes"

"Interrogatory No. 2

Does the combination of a fuel

metering means, such as a gas meter, with an electric meter box, an electric power box, and an elongated pole, as stated in claim no. 4 of Nickola reissue patent no. 27,400, produce a combined result other than the result produced by a fuel metering means, an electric power box, an electric meter, and an elongated pole operating separately? Answer 'yes' or 'no'. Answer: Yes"

"Interrogatory No. 3

Would a person of ordinary skill in the utility meter and power box mounting art at the time of the claimed invention have found the combined result of a fuel metering means, an electric power box, electric meter, and an elongated pole, as stated in claim no. 4 of Nickola reissue patent no. 27,400, to be unusual and unexpected? Answer 'yes' or 'no'. Answer: Yes"

"Interrogatory No. 4

Is plaintiff's claimed invention 'different' from the prior art by its combining electrical wiring, some of which runs upwardly along the upright pole and electrically connects to the electric meter, and some of which is connected to and extends from the power box, with the electric meter, electric power box, and fuel metering means as set forth in claim no. 21 of Nickola reissue patent no. 27,400? Answer 'yes' or 'no'. Answer: Yes"

"Interrogatory No. 5

Does the combination of an electric meter and an electric power box with

¹⁰ See Fed. R. Civ. P. 49(a).

associated electrical wiring, a post, and a heating fuel metering means as set forth in claim no. 21 of reissue patent no. 27,400 produce a combined result differing from the results produced by the electric meter and power box with associated wiring, a post, and a heating fuel metering means operating separately? Answer 'yes' or 'no'. Answer: Yes"

"Interrogatory No. 6

Would a person of ordinary skill in the utility meter and power box mounting art at the time of the claimed invention have found the combined result of electric wiring, a fuel metering means, an electric power box, electric meter box, and an elongated pole, as stated in claim no. 21 of Nickola reissue patent no. 27,400, to be unusual and unexpected? Answer 'yes' or 'no'. Answer: Yes"¹¹

Motion for Judgment Notwithstanding the Verdict

Peterson filed a written motion for judgment notwithstanding the verdict,¹² or alternatively for a new trial, accompanied by an extensive memorandum asserting "invalidity, as a matter of law."

¹¹ The jury was not asked at any point to define or describe the "combined result" referred to in interrogatories 2, 3, 5, and 6; nor was the jury asked to answer "yes" or "no" to any question spelling out a specific "combined result."

¹² Under Fed. R. Civ. P. 50(b).

The District Court

With its order granting Peterson's motion for judgment n.o.v., denying the alternative motion for new trial, setting aside the jury's answers to interrogatories 2, 3, 5, and 6 (and 15, setting damages at \$6,230.00), declaring the two patent claims invalid, and entering judgment for Peterson, the district court filed an opinion containing:

[1]

"In order to be patentable, any claimed invention must satisfy the requirement of 'novelty.' This requirement is the *sine qua non* of patentability. 35 U.S.C. § 101.¹³ Since plaintiff does not claim to have invented either the gas meter, the electric meter, or the electric power box, but claims to have invented the combination of those elements in her Power Pack Pedestal, the element of novelty if such there is must reside in the combination of those elements. Anderson's Black Rock, Inc. v. Pavement Salvage Co., 396 U.S. 57, 90 S. Ct. 305, 24 L.Ed. 2d 258 (1969)." [410 F. Supp. at 593, 193 U.S.P.Q. at 445.]

¹³ 35 U.S.C. §101 (1970) provides:
"§101. Inventions patentable.
Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title."

[2]

"The issue of novelty was submitted to the jury in interrogatories numbers 2. and 5. The jury by answering 'yes' to each found that patent claim no. (4) and patent claim (21) both satisfied the novelty requirement. In viewing the evidence in the light most favorable to plaintiff, and drawing all reasonable inferences in her favor, the Court finds the conclusions of the jury to be unwarranted.

Although a patent is presumptively valid, this presumption has no independent evidentiary weight. Sperberg v. Goodyear Tire & Rubber Co., 519 F. 2d 708 (CA 6, 1975) [cert. denied, 423 U.S. 987 (1975)]. Since the Court finds no evidence from which a jury could reasonably conclude that the novelty requirement of 35 U.S.C. §101 was satisfied, defendant's motion for judgement notwithstanding the verdict will be granted. Gillham v. Admiral Corp., 523 F. 2d 102 (CA 6, 1975) [cert. denied, 424 U.S. 913 (1976)]." [Id. at 593-94, 193 U.S.P.Q. at 445-46.]

[3]

"Likewise, this Circuit has recently restated the rule that every element of a combination invention must cooperate to produce a new result in order for there to be novelty within the meaning of 35 U.S.C. §103. Phillips Industries, Inc. & Mobile Tem, Inc. v. State Stove & Manufacturing Co., Inc., [522 F. 2d 1137 (6th Cir. 1975)]. The uncontroverted evidence before the Court is that there is no cooperation between the elements in plaintiff's

claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements. Accordingly, the patent claims in issue will be held invalid for lack of novelty. 35 U.S.C. §101." [Id. at 595, 193 U.S.P.Q. at 446-47.]

[4]

"Whether persons of ordinary skill in the art disagree as to the safety of a product or techniques does not determine the issue of obviousness. The issue regarding obviousness is whether the differences embodied in a combination product and the result so produced would have been non-obvious to a person of ordinary skill in the art, not whether there was a controversy over whether such was safe. In Re Jansen, 525 F.2d 1059 [187 U.S.P.Q. 743] (Cust. & Pat. App., 1975) [cert. denied, 425 U.S. 972 (1976)]." [Id. at 596, 193 U.S.P.Q. at 447.]

[5]

"Since the Court finds no evidence on which a finding of nonobviousness could be based, the Court will grant defendant's motion for judgment notwithstanding the verdict on interrogatories number (3) and number (6). In these interrogatories, the jury had answered that a person of ordinary skill in the art would have considered the result produced by the claimed combination inventions to be unusual and surprising." [Id., 193 U.S.P.Q. at 448].

[6]

"In sum, the Court finds contrary

to the determinations of the jury that the patent claims at issue are invalid both for lack of novelty and because of obviousness. Although the Court is reluctant to set aside the determinations of a jury, the Court recognizes that patent validity is primarily a question of law. Dickstein v. Seventy Corp., 522 F.2d 1294 (CA 6, 1975) [cert. denied 423 U.S. 1055 (1976)]; Monroe Auto Equipment Co. v. Heckethorn Manufacturing & Supply Co., 332 F.2d 406, 411 (CA 6, 1964) [cert. denied, 379 U.S. 888 (1964)]. In determining the issue of validity, the Court is bound to scrutinize patented combinations of old elements with special care due to the improbability of finding a patentable invention in an assembly of old elements, Phillips Industries, Inc. & Mobile Temp., Inc., v. State Stove & Manufacturing Co., Inc., 522 F.2d 1137 (CA 6, 1975); and because of the "blight" on free commerce which is imposed by an invalid patent. Hieger v. Ford Motor Co., 516 F.2d 1324 (CA 6 1975) [cert. denied, 423 U.S. 1056 (1976)]." [Id. at 596-97, 193 U.S.P.Q. at 448].

The Issue

The dispositive issue is whether the district court erred in granting Peterson's motion for judgement n.o.v.

OPINION

I. Statutory Basis of the Novelty Requirement

The statement that 35 U.S.C. §101, supra note 13, sets forth the "novelty requirement" for patentability was in error. That section does employ

the term "new," a synonym for "novel." Section 101, however, is a general statement of what may be patented ("process, * * * improvement thereof"). The words "new" and "useful", appearing twice, merely indicate the broad concept that a patent may not be obtained on that which is old or useless. Section 101 does not specify the conditions for patentability. The "requirements" (conditions) broadly referred to in §101, including the requirement for "novelty", are set forth elsewhere in the statute.¹⁴

Congress accomplished the task of defining "new," i.e., of setting forth the "novelty requirement," in the succeeding section, 35 U.S.C. §102, supra note 8, entitled "Conditions for patentability; novelty and loss of right to patent." (Emphasis added.) Thus, as

¹⁴ Patent cases being relatively infrequent, comments of potential applicability may be found in "Judges' Primer: Patent and Copyright Law and Procedure" in Part VIII of Seminars for Newly Appointed U.S. District Judges (1970-71, Federal Judicial Center, Washington, D.C.), and "Special Problems in Patent Cases," 66 F.R.D. 529 (1975) (reprinted in 57 J. Pat. Off. Soc'y 675 (1975)) presented at the Federal Judicial Center, October 16, 1974. For discussion of jury trials in patent cases, see Ropski, Constitutional and Procedural Aspects of the Use of Juries in Patent Litigation (pts. I-II), 58 J. Pat. Off. Soc'y 609, 673 (1976).

the Ninth Circuit stated in Reeves Instrument Corp. v. Beckman Instruments, Inc., 444 F.2d 263, 270, cert. denied, 404 U.S. 951 (1971), "[t]he requirement of novelty is more specifically defined in 35 U.S.C. §102 * * *." With the term carefully spelled out by Congress in §102, no warrant exists for looking to the broad, undefined word "new" in §101 for understanding or application of the novelty requirement. There being a clear statutory base for the novelty requirement in §102, judicial application of the novelty requirement should focus on that specific provision.¹⁵

¹⁵"The novelty required is not novelty in an absolute sense, as the statute defines what is to be looked to in order to show that an invention is not new." Federico, "Commentary On The New Patent Act [of 1952]" in 35 U.S.C.A. p. 1, at p. 17 (1954). Thus, prior public knowledge or use in a foreign country would destroy novelty if the novelty requirement resided merely in the word "new" in the absolute sense in which it appears in §101, whereas Congress has provided in §102 that such foreign circumstances do not destroy novelty under the statute. Similarly, under proper circumstances, a person may be entitled to a patent, even though that person was not the first to make the invention. See, e.g., Horwath v. Lee, 564 F.2d 948, 195 U.S.P.Q. 701 (CCPA 1977) (first inventor suppressed or concealed the invention; therefore, the second inventor entitled to priority under 35 U.S.C. §102(g)).

Legislative history is in accord. S. Rep. No. 1979, 82nd Cong., 2d Sess. (1952) states at p. 5,

"Section 101 sets forth the subject matter that can be patented, 'subject to the conditions and requirements of this title.' The conditions under which a patent may be obtained follow, and section 102 covers the conditions relating to novelty." [Emphasis added.]

then at p.6,

"Section 102, in general, may be said to describe the statutory novelty required for patentability and includes, in effect, an amplification and definition of 'new' in section 101." [Emphasis added.]

and finally at p. 17 in the "Revision Notes,"

"The corresponding section of existing statute is split into two sections, section 101 relating to the subject matter for which patents may be obtained, and section 102 defining statutory novelty and stating other conditions for patentability." [Emphasis added.]

Statements identical to the foregoing appear in H.R. Rep. No. 1923, 82nd Cong. 2d Sess. (1952) at pp. 6, 7, and 17, respectively.

As stated in In re Bergstrom,

57 CCPA 1240, 1249, 427 F.2d 1394, 1401,
166 U.S.P.Q. 256, 262 (1970):

"[T] criteria for determining whether given subject matter is 'new' within the meaning of §101 are no different than the criteria for determining whether that subject matter possess the 'novelty' expressed in the title of §102. The word 'new' in §101 is defined and is to be construed in accordance with the provisions of §102. Thus that which possesses statutory novelty under the provisions of §102 is also new within the intendment of §101. We have found no evidence of Congressional intent to define the word 'new' as used in §101 in any different manner." [Footnote omitted.]

II. Peterson Did Not Carry His Burden of Proving Lack of Novelty

Considering the finding of "no evidence from which a jury could reasonably conclude that the novelty requirement * * * was satisfied and substantial evidence that it was not satisfied" (410 F. Supp. at 594, 193 U.S.P.Q. at 446) inconsistent with the jury's answers to interrogatories 2 and 5, supra, the court set those answers aside.

The no-evidence-of-novelty finding cannot stand in the absence of record evidence: (1) that the identical invention, i.e., the precise combination

of structural elements recited in each claim, "was known or used by others in this country * * * before the invention thereof by [Nickola]" (§102(a)); or (2) that the identical invention recited in each claim was "in public use or on sale in this country, more than one years prior to the date of [Nickola's] application" (§102(b)).¹⁶ No such evidence is of record.

The "substantial evidence," referred to as defeating novelty, was not specified. Peterson's only evidence touching novelty was Boyle's testimony that "customers" had requested him to make holes for a gas meter bracket in some of his electric meter pedestals. Boyle did not testify that he had ever seen a gas meter so mounted. There was no evidence that any customer had actually mounted a gas meter on a Boyle pedestal and no evidence that the utility company had given the required approval for any such mounting. There was thus no evidence that gas meters had been mounted on electric meter pedestals before Nickola's invention, i.e., that Nickola's combination was old. Peterson's evidence to show lack of novelty was thus wholly inadequate to meet his burden under §102.

¹⁶ The other subsections of §102 have no application to the facts of this case.

Peterson having failed to meet his burden, evidence of novelty was unnecessary. 35 U.S.C. §282, supra note 7. Nonetheless, Nickola's utility witnesses testified without challenge that Consumers had not approved a combination gas and electric pedestal before approving Nickola's in December, 1967. Were it necessary to evaluate the evidence, therefore, the novelty of Nickola's particular claimed combination would appear unquestionably established.

In all events, novelty is a question of fact, as discussed below, and it is clear that the evidence touching upon novelty, such as it was, was sufficient to have been submitted to the jury. Under such circumstances, a conclusion that no reasonable juror could have found the inventions recited in claims 4 and 21 to have been novel constitutes an error of law.

III. New Result v. Novelty

Though the jury's answers to interrogatories 2 and 5 were set aside, on the theory that they were inconsistent with a lack of novelty finding, 2 and 5 were not the material interrogatories on the novelty issue. Those interrogatories were directed to a different question-- whether the inventions "produce a combined result" other than (interrogatory 2), or differing from (interrogatory 5), "the result produced by [the individual structural elements] operating separately." Thus, interrogatories 2 and 5 are concerned with the overall function or operation of the combination of individual

structural elements, not with the novelty of the combination itself.

The function of the combination can be material, not on the novelty issue, but on the separate and distinct issue of nonobviousness (35 U.S.C. §103, supra note 9).

The view that "novelty" was covered in interrogatories numbered 2 and 5 and that there must be "a new result in order for there to be novelty within the meaning of 35 U.S.C. 103,"¹⁷ intermixed the question of novelty (whether the particular combination claimed had existed before Nickola made it) with one of the indicia (a "new" or "unexpected" result) sometimes useful in determining the entirely different question of nonobviousness. The distinction is important, for patent law is entirely statutory and there is

¹⁷ The opinion below includes the statement that "this Circuit has recently restated the rule that every element of a combination invention must cooperate to produce a new result in order for there to be novelty within the meaning of 35 U.S.C. 103" (410 F. Supp. at 595, 193 U.S.P.Q. at 446-47, emphasis added), citing Phillips Industries, Inc. v. State Stove & Manufacturing Co., Inc., supra. Phillips Industries involved no question of novelty in the combination claimed.

not a word in the statute requiring a new result of a new function as a condition of patentability. Indeed, a requirement that the result must itself be novel would nullify the statutory provision encouraging disclosures of "new and useful improvements thereof." 35 U.S.C. §101.

Most patents are granted on improvements of prior devices;¹⁸ and the improved device will inherently achieve the same basic result as that achieved, and will perform the same basic function as that performed, by the prior device. An improved jet engine, for example, necessarily achieves the same result and performs the same function--propulsion--as that achieved by prior jet engines, yet it may constitute a "new and useful improvement" entitled to the protection provided by our patent laws, 35 U.S.C. §101, as an incentive to make and disclose improvements in prior devices. Similarly, the result achieved by the horse, the automobile, and the airplane is the same--transportation. Only the speed of achievement varies. Yet it may be supposed that one unaware of the statute and its constitutional background would recognize the airplane

¹⁸In General Electric Co. v. Wabash Appliance Corp., 304 U.S. 364, 368 (1938), the Court noted congressional recognition that "most inventions represent improvements on some existing article, process or machine * * *." More than 70,000 patents are currently issued each year. Commissioner of Patents and Trademarks Annual Report, Fiscal Year 1976 (1977).

as a patentable improvement over the horse and the automobile. To require in every case that a new "function" or new "result" be performed or achieved, would be destructive of "the progress of * * * useful arts" goals sought in the constitutional-statutory scheme.

The interrogatories relating to novelty were numbers 1 and 4, which were not disturbed. Those interrogatories inquired whether the inventions were "different" from the prior art, i.e., whether Nickola's combination was "novel" in the statutory sense.¹⁹ 35 U.S.C. §102. The jury answered "yes"; and in the absence of record evidence indicating the presence of the claimed combination in the prior art, that answer was correct.

Though it was error to hold Nickola's patent claims invalid for lack of novelty, the district court did not err in its grant of judgment n.o.v., for novelty alone will not render an invention patentable. Some new and useful inventions are patentable. Some are not. To be patentable a new and useful invention must meet the third requirement--non-obviousness--set forth in 35 U.S.C. §103.²⁰

¹⁹"[A] device lacks novelty if there is or has been, a substantially identical prior device." Monroe Auto Equip. Co. v. Heckethorn Mfg. Co., 332 F.2d 406, 414 (6th Cir.), cert. denied, 379 U.S. 888 (1964).

²⁰There is no requirement that a court find "invention" present. The difficulty

20 (Continued)

experienced by courts in defining that amorphous, ephemeral, indefinable label was noted by the Court in Graham v. John Deere Co., 383 U.S. 1, 11-12 (1966): "The language in the case [Hotchkiss v. Greenwood, 52 U.S. (11 How.) 248, 267 (1850)], and in those which followed, gave birth to 'invention' as a word of legal art signifying patentable inventions. Yet, as this Court has observed, '[t]he truth is the word ['invention'] cannot be defined in such manner as to afford any substantial aid in determining whether a particular device involves an exercise of the inventive faculty or not.' McClain v. Ortmayer, 141 U.S. 419, 427 (1891); A & P Tea Co. v. Supermarket Corp., [340 U.S. 147] at 151. Its use as a label brought about a large variety of opinions as to its meaning both in the Patent Office, in the courts, and at the bar."

That difficulty led Congress, 26 years ago, Patent Act of 1952, 66 Stat. 792 (enacting Title 35, U.S. Code), to specify nonobviousness of the subject matter as a whole to one skilled in the art at the time the invention was made as the "new statutory formulation" (John Deere Id. at 12) of the third requirement for patentability. Congress further mandated that "invention" should henceforth refer to "invention or discovery" (35 U.S.C. §100(a)), i.e., the thing invented or discovered. Difficulties since 1952 have centered on inapt references to old cases calling on courts to find "invention," and on judicial efforts to supply semantic mechanisms as aids in defining

IV. Nonobviousness v. Novelty

Confusion of the novelty requirement defined in §102 with the nonobvious subject matter requirement defined in §103 is avoided when the statutory sections are applied in proper sequence. The starting point in applying §103 is recognition that the claimed invention--the claimed subject matter as a whole--is novel under §102. If the claimed subject matter be old, consideration of §103 is unnecessary. The first clause of §103 states that: "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title." The heart of §103 then follows, "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

Though, early on, the opinion below correctly stated, "novelty if such

20 (Continued)

"obviousness." Because inventions differ so widely, application of all such mechanisms to all inventions, as rules of law, would risk destruction of the entire statutory scheme. See note 22, *infra*. Exercise of the judicial process, in determining whether an invention has met the nonobviousness requirement, turns on application of the entire statutory provision, 35 U.S.C. §103, to all relevant evidence of record.

there is must reside in the combination of those elements," (410 F. Supp. at 593, 193 U.S.P.Q. 445) citing Anderson's-Black Rock, Inc. v. Pavement Salvage Co., Inc., 396 U.S. 57 (1969), it later stated, incorrectly, that "the determination of novelty for combination inventions does not turn on whether the old elements are arranged in a new manner which serves some useful function but on whether the function produced by that arrangement is itself new." (410 F. Supp. at 595, 193 U.S.P.Q. at 446.) As above stated, a requirement for a new function would nullify the statutory provision for patenting "improvements" which necessary perform the old function of the now-improved device.

As authority for the view that a new function must be found, the opinion below quoted this part of the opinion in Anderson's-Black Rock, supra, 396 U.S. at 62:

"We conclude that while the combination of old elements performed a useful function,⁴ it added nothing to the nature and quality of the radiant-heat burner already patented.

⁴35 U.S.C. §101 provides:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, subject to the conditions and requirements of this title."
 "Absent here is the element 'new.' For as we have said, the combination added nothing to the inherent characteristics or function of the radiant-heat burner."

The sole issue in Anderson's-Black Rock was nonobviousness, not novelty. The Court stated that "[i]n this case the question of patentability of the combination turns on the meaning of 35 U.S.C. §103 which the court reviewed in the Graham[v. John Deere Co.] case [383 U.S. 1], at 13-17 [1966]," (396 U.S. at 61-62, footnote omitted) and "[w]e conclude that the combination was reasonably obvious to one with ordinary skill in the art" (Id. at 60).

The patentee-respondent in Anderson's-Black Rock had argued, as evidence of nonobviousness, that its invention "involves a combination of prior art which produces the new and useful result [emphasis added] of eliminating the cold joint" in asphalt pavements. (Id. at 59.) The patentee was arguing that the combination of structural elements, when operating in the intended way, produced an unexpected result, and that this was evidence of nonobviousness of the combination.

The quote from Anderson's-Black Rock in the opinion below related entirely to one element, the radiant-heat burner, not to the claimed combination. In footnote 4, the Court merely stated that the combination added nothing to the function of the radiant-heat burner element. Whatever relevance an added function of the burner may or may not have had to determination of obviousness in the combination, the Court was not saying that the total combination of structural elements lacked "novelty." Nor was the Court destroying the §101 provision for "improvements" by substituting its own rule of law, i.e.,

by adding to the statute a requirement that an invention must perform a new function as a condition of patentability.

The findings below, that "there is no cooperation between the elements in plaintiff's claimed invention: and that "no cooperative result is produced other than the sum of the independent functions of those elements," (410 F. Supp. at 595, 193 U.S.P.Q. at 447), were cited as a second ground for holding the claims invalid "for lack of novelty". Nickola admitted that no "cooperation" occurs between the individual structural elements, and that no "cooperative result" is produced; but those facts do not support a holding that the claims are invalid "for lack of novelty."

Lack of cooperation, like the result achieved or function performed, is not material on the issue of novelty, though it may be material on the issue of nonobviousness. The elements needn't "cooperate", or produce a "cooperative result," for the combination per se to be novel. To conclude that a combination lacks novelty because its elements don't cooperate is to find novelty lacking without regard to the prior art, and is improper under the statute. Cf. Reeves Instrument Corp. v. Beckman Instruments, Inc., supra, 444 F.2d at 270.

The issues of novelty and nonobviousness differ in another regard. As appears below, the issue of obviousness-nonobviousness is ultimately determined as a conclusion of law, involving as it does, consideration of the subject matter of invention as a whole (sometimes including the result

achieved and function performed as part of the "whole"), and consideration of a legal ghost called "a person having ordinary skill in the art" (like the "reasonable man" ghost in negligence cases). Novelty and utility, on the other hand, are determinable as issues of fact. The invention is either new and useful or it is not. The amount of newness and usefulness need be only miniscule to avoid a finding of lack of novelty. That miniscule difference may or may not indicate that the invention as a whole would have been obvious, but it cannot indicate that the invention was old at the time it was made. So here, a miniscule difference, adding a gas meter, made Nickola's combination novel. On the basis of all the evidence, however, as we shall see, the combination, the subject matter as a whole of the invention, would have been obvious, as a matter of law, to a person having ordinary skill in the art.

V. Obviousness Is A Question of Law

The Supreme Court settled the question in Graham v. John Deere Co., supra, 383 U.S. at 17, where it stated: "While the ultimate question of patent validity is one of law, A & P Tea Co. v. Supermarket Corp., [340 U.S. 147,] at 155 [1950], the §103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquires."

This court has consistently held obviousness an ultimate conclusion of law reviewable by an appellate court. Dickstein v. Seventy Corp., 522 F.2d 1294, 1297 (6th Cir. 1975), cert. denied,

423 U.S. 1055 (1976); Monroe Auto Equip. Co. v. Heckethorn Mfg. Co., 332 F.2d 406, 411 (6th Cir.), cert. denied, 379 U.S. 888 (1964).

In Kolene Corp. v. Motor City Metal Treating, Inc., 440 F.2d 77, 81 (6th Cir.) cert. denied, 404 U.S. 853 (1971), the point was explained with particular reference to the Graham v. John Deere Co. standards for determining obviousness under §103:

"The question of 'obviousness' in determining patent validity is a mixed question of both fact and law. Kaiser Industries v. McLouth Steel Corp., 400 F.2d 36, 41 (6th Cir.); National Filters, Inc. v. Research Products Corp., 384 F.2d 516 (5th Cir.); Hensley Equipment Co. v. Esco Corp., 375 F.2d 432 (9th Cir.). In ruling on that question the Supreme Court said:

(1) Under §103, the scope and content of the prior art are to be determined;

(2) Differences between the prior art and the claims at issue are to be ascertained;

(3) And the level of ordinary skill in the pertinent art resolved.

(4) Against this background, the obviousness or nonobviousness of the subject matter is determined.

(5) Such secondary considerations^[21] as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.' [Note: Clauses separated and numbered for convenience.] Graham v. John Deere Co., 383 U.S. 1, 17, 86 S. Ct., 684, 694, 15 L.Ed. 2d 545.

"When the District Court determines items numbered 1, 2, and 3, it makes findings of fact which are binding on appeal unless the findings are clearly erroneous. Rule 52(a), Fed. R. Civ. P. It is the ultimate determination of the trial judge (item number 4 above) which is a conclusion of law with which this Court may disagree based on the established findings of fact. See Monroe Auto Equip. Co. v. Heckethorn Mfg. & Sup. Co., 332 F.2d 406 (6th Cir.), cert. denied, 379 U.S. 888, 85 S.Ct. 160, 13 L.Ed. 2d 93."

²¹The adjective "secondary" could not have meant that determination of obviousness-nonobviousness can be made in disregard of step (5) considerations when they are present. Failure to consider all relevant evidence would be both unjust and injudicious. Moreover, when a conclusion of nonobviousness is reached at step (4) there is no need to consider step (5). Hence, if it were permissible to reach a conclusion of obviousness without consideration of the evidence in step (5), the latter would never be considered.

VI. The Merits of the Nonobviousness Issue

In setting aside the jury's answers to interrogatories 3 and 6, the district court correctly stated the standards for determining obviousness under 35 U.S.C. §103 (410 F. Supp. at 595, 193 U.S.P.Q. at 447):

"The standards for determining obviousness under 35 U.S.C. §103 were established by the Supreme Court in Graham v. John Deere Co., 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966), and reiterated by this Circuit in Bolkcom v. Carborundum Co., 523 F.2d 492, 500 (CA 6, 1975) [cert. denied, 425 U.S. 951 (1976)]:

'Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized

to give light to the circumstances surrounding the origin of the subject matter sought to be patented." [22]

²²The last sentence of the quoted paragraph is, "As indicia of obviousness or nonobviousness, these inquiries may have relevancy."

In portion [6] of the opinion below, quoted supra, reference is made to "the improbability of finding a patentable invention in assembly of old elements." Because virtually every invention is an assembly of old elements, see Reeves Instrument Corp. v. Beckman Instruments, Inc., supra, 444 F.2d at 270 n.4; Reiner v. I. Leon Co., 285 F.2d 501, 503 (2d Cir. 1960); B. G. Corp. v. Walter Kiddie & Co., 79 F.2d 20, 21 (2d Cir. 1935), the statement cannot be universally applied without risk of destroying the patent system. Unable to create from nothing, man must use old elements, which must perform their normal individual functions. A valve must valve; an electrical capacitor must exhibit capacitance; etc.

Similarly, the opinion below elsewhere refers to "combination" inventions and to "combinations of old elements," as though the statute were to be applied differently to "combination" inventions. Court opinions referring to "combination" inventions have not clearly distinguished patentability criteria applicable to different types of inventions. The statute makes no such distinction in patentability criteria (the word

On the merits of the nonobviousness issue, we agree with the following portion of the district court's opinion (410 F. Supp. at 595-96, 193 U.S.P.Q. at 447):

"Applying these (Graham v. John Deere Co.) standards to the evidence produced at trial, the

"combination" appears only in 35 U.S.C. §112, dealing with claim interpretation, and in 35 U.S.C. §271(c), dealing with contributory infringement). From the facts in some cases, the reference to "combination" may have been intended to separate mechanical or machine inventions from chemical, electrical or process-type inventions. But the statute makes no such distinction; and chemical inventions are combinations of electrical circuit elements and process inventions are combinations of steps. No statutory warrant appears, therefore, for treating the patentability of "combination" inventions differently in law from the patentability of some other type of invention undescribed and undefined.

The opinion below considered the "differences * * * and the result," in compliance with the statutory requirement that "the subject matter as a whole" be considered, 35 U.S.C. §103, and with the same requirement in John Deere for determination of "the obviousness or nonobviousness of the subject matter." Thus was avoided the error of determining only whether the particular differences would themselves have been obvious or nonobviousness.

Court finds that a jury could not reasonably have concluded that either of the claimed inventions set forth in claims nos. (4) and (21) of plaintiff's Reissue Patent would have been nonobvious to a person of ordinary skill in the art. From plaintiff's testimony, it is plain that the mounting of both electric meters and gas meters on posts [i.e., in gang racks] was the established practice prior to her claimed invention. Part of the prior art was the combination of an electric meter and electric power box on one post, as was constructed by Mr. Boyle in an unpatented form since 1962, which is prior to the date of plaintiff's claimed invention. It was also common practice to mount more than one electric meter on a post, as is shown by the statements in plaintiff's original patent, no. 3,502,785, issued March 24, 1970.

The only difference between plaintiff's claimed invention and the prior art is that plaintiff's device mounted an electric and a fuel meter with a power box on a post rather than many electric meters or just an electric meter and a power box.

From the state of prior art it is clear that it was obvious to a person of ordinary skill in the art that a post could

be made to support both a gas and an electric meter." [23]

We agree also with the district court's holding, in this particular case, that obviousness did not depend on "whether there was a controversy over whether such was safe." (410 F. Supp. at 596, 193 U.S.P.Q. at 447). That is not to say, however, that a safety controversy can never constitute evidence relevant to a determination of nonobviousness.

If others had recognized the advantage and dangers in mounting both electric and gas meters on a single post at each mobile home site, but had been able to devise a means for achieving the advantages while avoiding the dangers, and if Nickola's contribution to the progress of the useful arts had been such means, evidence of a safety controversy would have been eminently relevant to the determination of obviousness of those means. When others in the field say "it won't work," that fact is strong

²³The opinion below includes the statement that there was "no evidence on which a finding of non-obviousness could be based." (410 F. Supp. at 596, 193 U.S.P.Q. at 448) The better statement would have been that there was "no evidence sufficient to rebut that by Peterson in support of a legal conclusion of obviousness." Absent facts established by him who has the burden of proving obviousness 35 U.S.C. §282, evidence on which to base a legal conclusion of non-obviousness is unnecessary.

evidence that whatever does work would have been nonobvious. See United States v. Adams, 383 U.S. 39, at 44 and 52 (1966). The outcome might have been different here if the inventor had contributed something that unlocked a safety puzzle. If here, for example, Nickola had in some manner rendered safe a previously unsafe combination, the fact that no one thought safety achievable would be strongly probative of nonobviousness.

Here, however, no one said, "it won't work." Mounting of electric meters and boxes on a single post at mobile home sites was old and the advantages of so mounting all meters were recognized. Others thought that adding a gas meter would not be safe, not that it would not "work". Nickola merely added the gas meter, doing nothing unconventional to make the combination safe.²⁴ The district court recognized the presence of a similar fact pattern in In re Jansen, 525 F.2d 1059, 187 U.S.P.Q. 743 (CCPA 1975), cert. denied 425 U.S. 972 (1976), wherein the inventor

²⁴Pointing to claim 4, Nickola says mounting the gas meter below the electric meter shortens the gas inlet exposure above the ground. There was no evidence of what specific events cause dangers. In any event, it would have been obvious that a short pipe provides less exposure than a long pipe. The district court correctly recognized that the low mounting feature is incapable in this case of satisfying the requirement for nonobviousness.

combined vitamin B₁₂ and folic acid in specific quantities, against expert opinion that the preparation would be unsafe medication. The inventor did nothing to render the combination safe, but claimed merely the combination itself, which was old except for the quantities involved. The change in quantity was held to have been obvious in view of all the evidence, and, the invention not being directed to a means achieving safety in the face of safety objections, evidence of those objections was considered non-probative. So too, evidence of a safety controversy in the present case is without probative value.

The district court correctly found the evidence of long-felt need insufficient. As Nickola testified, she made her invention immediately after "gas was newly introduced," and there was no evidence that others had even tried to fill a need for a post-electric meter-gas meter combination.

The district court correctly found the commercial success evidence also insufficient in this case. That determination was based on the view that: "The commercial success of the product is accounted for by plaintiff's patent monopoly²⁵ and the introduction of

²⁵The reference to a "patent monopoly" is not uncommon. Others, particularly those charged with infringement, have long employed the phrase pejoratively. But a valid patent never confers a monopoly in the traditional, historical, anticompetitive sense, as was explained

25 (Continued)

by the Supreme Court in United States v. Dubilier Condenser Corp., 289 U.S. 178, 186 (1933);

"Though often so characterized, a patent is not, accurately speaking, a monopoly, for it is not created by the executive authority at the expense and to the prejudice of all the community except the grantee of the patent. Seymour v. Osborne, 11 Wall. 516, 533. The term monopoly connotes the giving of an exclusive privilege for buying, selling, working or using a thing which the public freely enjoyed prior to the grant. Thus a monopoly takes something from the people. An inventor deprives the public of nothing which it enjoyed before his discovery, but gives something of value to the community by adding to the sum of human knowledge. * * * He may keep his invention secret and reap its fruits indefinitely. In consideration of its disclosure and the consequent benefit to the community, the patent is granted." [Footnote and citations omitted.]

Like any property, a patent may be used in a plan to achieve a monopoly violative of our antitrust laws. But proof of that fact is required. See Walker Process Equip., Inc. v. Food Mach. & Chem. Corp., 382 U.S. 172, 177-78 (1965). A patented product rarely enjoys a dominant share in the relevant market. As noted in Northern Pac. Ry. v. United States, 356 U.S. 1, 10 n. 8 (1958):

underground wires and piped natural gas to mobile home parks." (410 F. Supp. at 596, 193 U.S.P.Q. at 448). Absent demand for a product, however, there can be no commercial success. No patent can itself create market demand. A patent on the unwanted is worthless. The advantage of piped gas was equally irrelevant as a cause for commercial success, because, as the testimony showed, the gas could have been and was piped to a central rack on which gas meters were mounted. To the extent that the court had in mind Nickola's early start with her product, promptly after gas was available to mobile parks, as the cause for her sales, the statement would apply to the evidence, but neither the existence (or non-existence) of the patent, nor the mere availability of gas, could account for purchasers' decisions to buy Nickola's product.

25 (Continued)

"Of course it is common knowledge that a patent does not always confer a monopoly over a particular commodity. Often the patent is limited to a unique form or improvement of the product and the economic power resulting from the patent privileges is slight."

Congress has provided that patents "shall have the attributes of personal property". 35 U.S.C. §261. The patent right, solely that of excluding "property." The statutory, and therefore proper, characterization is not "patent monopoly," but "patent property."

The primary reason for failure of the commercial success evidence in this case is its inadequacy. That evidence consists entirely of Nickola's statement that "40 to 50 thousand" units had been sold over a period of seven or eight years. An average of only 6,000 to 7,000 sales annually would not constitute a "rush to the invention" probative of nonobviousness. There was no evidence that a fortune had been waiting in the wings for him who first made the invention available to the public. It is that waiting fortune which implies that if the invention had been obvious it would surely have been earlier made. Further, there was no evidence of total demand, the extent to which that demand was met by the patented product, the extent to which the market abandoned earlier products in favor of the product patented, the extent to which advertising contributed or did not contribute to sales, and the like. In short, Nickola's commercial success evidence did not rise to the level of an indicium of nonobviousness listed as potentially relevant in Graham v. John Deere, supra, 383 U.S. at 18.²⁶

²⁶The opinion below, in the midst of its novelty discussion, states: "The Court went on to state that commercial success, without invention, will not make patentability." (410 F. Supp. at 594, 193 U.S.P.Q. at 446, citing cases.) The statement must necessarily mean only that commercial success not due to the merits of an invention cannot be an

Conclusion

We concur in the district court's holding that the inventions recited in claims 4 and 21 would have been obvious at the time the inventions were made to a person having ordinary skill in the art, and that the claims were therefore

indicium of nonobviousness. The statement cannot be taken literally without attributing circuitous reasoning to the Court. The Court in John Deere recognized that commercial success could serve as evidence of nonobviousness and thus of patentability. At the time the statement first appeared (1950), courts equated "invention" to patentability, see note 20, supra. Taken literally, therefore, the statement would read "evidence of patentability (commercial success) without patentability (invention) will not make patentability." The statement has led on occasion to a total disregard of the evidence of nonobviousness represented by commercial success. If an invention is entirely lacking in novelty, no amount of commercial success can serve as evidence of its patentability. When the issue is obviousness-nonobviousness, however, a determination that an invention would have been obvious should be made, as should the determination of any issue in any type of case, only after consideration of all relevant evidence, see note 21, supra.

invalid under 35 U.S.C. §103. We concur also in the district court's implicit holding that the jury could not reasonably have found facts sufficient to support a legal conclusion that claims 4 and 21 are valid. Accordingly, we affirm the district court's grant of Peterson's motion for judgement notwithstanding the verdict.

AFFIRMED

No. 76-1916

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUITANNE D. NICKOLA,
Plaintiff-Appellant,

v.

KENNETH PETERSON, d/b/a ORDER
KAYDEE PRODUCTS COMPANY,
Defendant-Appellee.Before: CELEBREZZE and LIVELY, Circuit
Judges and MARKEY, Chief Judge
of the U.S. Court of Customs
and Patent Appeals.*

Appellant having filed a petition
for rehearing en banc with this Court, and
no active Judge having requested that
a vote be taken on the suggestion for
rehearing en banc, said petition has
been referred to the panel for disposition.
The Court having considered said petition
and being duly advised in the premises,

It is ORDERED that the petition
for rehearing be, and it is hereby
denied.

ENTERED BY ORDER OF THE COURT

John A. Hehman, Clerk

* The Honorable Howard T. Markey
sitting by designation.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISIONANNE D. NICKOLA,
Plaintiff,

v.

CIVIL ACTION
NO. 634KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,
Defendant.

MEMORANDUM OPINION AND ORDER

At a session of said court,
held in the Federal Building,
Flint, Michigan on March 5,
1976.

PRESENT: HONORABLE JAMES HARVEY
United States District
Judge

This is a patent case with a pendent
claims for wrongful use of trade secrets.
Following the close of the evidence,
defendant moved the Court for a directed
verdict in his favor as to all factual
issues relating to both counts. This
motion was denied. The jury returned a
general verdict for defendant on the
trade secrets count. The issues regarding
the patent claim were submitted to the
jury in the form of a special verdict
with fifteen numbered interrogatories.
The Jury found the patent claims to be
valid and infringed and awarded plaintiff
damages in the sum of \$6,230.00.

Defendant has filed a motion for
judgment notwithstanding the verdict and
in the alternative for a new trial,

Federal Rules of Civil Procedure, 50 and 59. Defendant claims that there is no evidence to support the jury's findings of patent validity and infringement and also claims that the jury could not reasonably have found damages in the amount of \$6,230.00.

Oral argument was originally requested by defendant in this matter but later was orally waived by both parties. Pursuant to Rule IX(j), Local Rules For the United States District Court for the Eastern District of Michigan, the Court will decide the matter without oral argument.

The patent claims in question are claim no. (4) and claim no. (21) of Reissue Patent No. 27,400, issued June 20, 1972. Both of these claims describe a combination of a pole, an electric meter, an electric power box, and a gas meter. The patent claims are set forth with more particularity in the footnote below.¹

¹The elements of claim no. (4) of Reissue Patent No. 27,400 are:

1. An elongated post mounted in an upright position;
2. An electrical meter and an electrical power box mounted on the upper end of said post on opposite sides thereof;
3. A heating fuel metering means mounted to said post below said electrical meter and said electrical power box.

The elements of claim no. (21) of Reissue Patent No. 27,400 are:

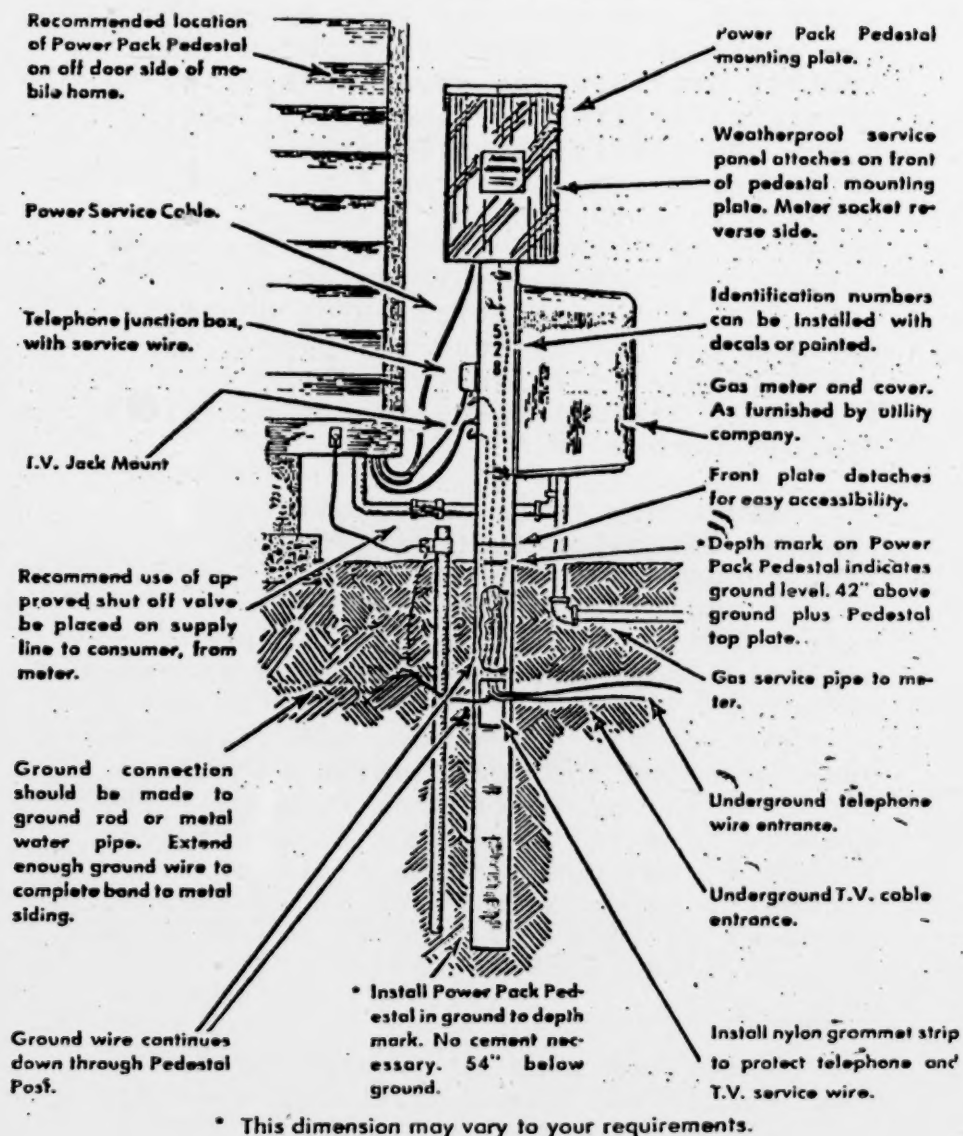
1. An elongated post mounted in an upright position;
2. An electrical meter and an electrical

The patented device is marketed under the name of Power Pack Pedestal. The merit of the Power Pack Pedestal is that it provides one complete utility servicing station for individual mobile homes and trailers. All utility wires after being run underground to the pedestal are run up the inside of the pedestal to the electric meter and power outlets. A gas meter is attached to the side of the pedestal which connects up with the underground gas pipes. The total result is reflected in the following picture taken from plaintiff's exhibit number 69.²

In order to be patentable, any claimed invention must satisfy the requirement of "novelty". This requirement is the sine qua non of patentability. 35 U.S.C. 101. Since plaintiff does not claim to have invented either the gas meter, the electric meter, or the electric power box, but claims to have invented the combination of those elements in her Power Pack Pedestal, the element of novelty if such there is must reside in the combination of those elements. Anderson's Black Rock, Inc. v. Pavement Salvage Co., 396 US 57, 90 S Ct 305, 24 L Ed 2d 258 (1969).

-
- power box mounted to said post;
 3. Electrical wires extending upwardly along said post and electrically connected to said meter;
 4. An electric wire connected to and extending from said power box;
 5. A heating fuel metering means mounted to said post.

²Excerpt of Plaintiff's Exhibit no. 69:



The issue of novelty was submitted to the jury in interrogatories numbers 2 and 5. The jury by answering "yes" to each found that patent claim no. (4) and patent claim (21) both satisfied the novelty requirement. In viewing the evidence in the light most favorable to plaintiff, and drawing all reasonable inferences in her favor, the Court finds the conclusions of the jury to be unwarranted.

Although a patent is presumptively valid, this presumption has no independent evidentiary weight. *Sperberg v. Goodyear Tire & Rubber Co.*, 519 F2d 708 (CA 6, 1975). Since the Court finds no evidence from which a jury could reasonably conclude that the novelty requirement of 35 U.S.C. 101 was satisfied and substantial evidence that it was not satisfied, defendant's motion for judgment notwithstanding the verdict will be granted. *Gillham v. Admiral Corp.*, 523 F2d 102 (CA 6, 1975).

The evidence produced at trial shows that there is nothing in either claim no. (4) or claim no. (21) of Reissue Patent No. 27,400 which warrants the protection of the patent laws. The testimony of plaintiff was to the effect that the gas meter, the electric meter, and the electric power box function in precisely the same manner when installed as parts of the Power Pack Pedestal as when mounted independently. Plaintiff does not claim that the elements do produce a new or different result and it is plain that no such result was even intended. Plaintiff produced the pole and internal wiring for the pole, and provided braces on which the utility companies would then install ordinary gas and electric

meters, which were meant to operate in the same manner when installed as any other meter.

While the combination of the two meters and electric power box on one pole is a matter of great convenience for the mobile home user, as is evidenced by the commercial success of the claimed invention, the combination of these admittedly old elements does not produce a new synergistic whole greater than the sum of the results produced by the individual elements operating separately.

The Supreme Court considered a very similar fact situation in Anderson's Black Rock Inc v. Pavement Salvage Co., supra. In finding the patent there under consideration to be invalid for lack of invention, the Court noted that the addition of a well known radiant heat burner to the side of a standard bituminous paver added nothing to the function of either, the Court stated:

"The combination of putting the burner together with the other elements in one machine, perhaps a matter of great convenience, did not produce a 'new or different function', Lincoln Co. v Stewart-Warner Corp., 303 US 545, 549, 82 L Ed 1008, 1010, 58 S Ct 662, within the test of validity of combination patents." 396 US at 60.

The Court went on to state that commercial success, without invention, will not make patentability. See Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 US 147, 153, 95 L Ed

162, 167, 71 S Ct 127 (1950); Phillips Industries Inc & Mobile Temp Inc v State Stove & Manufacturing Co., 522 F2d 1137 (CA 6 1975).

Plaintiff claims that the requirement of novelty is satisfied by the arrangement of the meters and the power box on the pedestal. For purposes of this argument, plaintiff abandons patent claim no. (21), which specifies only that the power box, electric meter, and fuel meter be mounted anywhere on a post, and addresses claim no. (4). This claim requires the gas meter to be mounted below the electrical meter and the electrical power box. Plaintiff claims that the reason for this limitation is that the amount of exposed gas tubing between the ground and the meter is minimized, thereby reducing the risk of accidental severance. Plaintiff claims that the novelty requirement is also satisfied because the meters and power box are unsafe when such are not mounted on a post.

While the Court agrees with plaintiff that these are salient safety considerations which any manufacturer would do well to heed, the Court is of the opinion that these do not satisfy the novelty requirement of 35 U.S.C. 101.

The determination of novelty for combination inventions does not turn on whether the old elements are arranged in a new manner which serves some useful function but on whether the function produced by that arrangement is itself new. As stated by the Supreme Court in Anderson's Black Rock Inc v Pavement Salvage Co., 396 US at 62:

"We conclude that while the combination of old elements⁴ performed a useful function⁴ it added nothing to the nature and quality of the radiant heat burner already patented."

In footnote 4 of the above quotation, the Court referred to the requirements of 35 U.S.C. 101 and stated in regards to the claimed combination invention:

"Absent here is the element 'new'. For as we have said, the combination patent added nothing to the inherent characteristics or function of the radiant heat burner."

Likewise, this Circuit has recently restated the rule that every element of a combination invention must cooperate to produce a new result in order for there to be novelty within the meaning of 35 U.S.C. 103. Phillips Industries Inc & Mobil Temp Inc v State Stove & Manufacturing Co Inc, supra. The uncontroverted evidence before the Court is that there is no cooperation between the elements in plaintiff's claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements. Accordingly, the patent claims in issue will be held invalid for lack of novelty. 35 U.S.C. 101.

Since the combination of old elements in plaintiff's claimed invention does not produce any novel result, it is plain that the result produced fails to satisfy the non-obviousness requirement of 35 U.S.C. 103. Anderson's Black Rock Inc v. Pavement Salvage Co., supra;

Dickstein v. Seventy Corp, 522 F2d 1294 (CA 6, 1975).

For purposes of review, though, the Court will address the issue of obviousness as if plaintiff's claimed invention did satisfy the novelty requirement of 35 U.S.C. 101.

The standards for determining obviousness under 35 U.S.C. 103 were established by the Supreme Court in Graham v. John Deere Co 383 US 1, 86 S Ct 684, 15 L Ed 2d 545 (1966), and reiterated by this Circuit in Bolkcom v. Carborundum Co, 523 F2d 492, 500 (CA 6, 1975):

"Under §103, the scope and content of the prior art to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented."

Applying these standards to the evidence produced at trial, the Court finds that a jury could not reasonably have concluded that either of the claimed inventions set forth in claims

nos. (4) and (21) of plaintiff's Reissue Patent would have been non-obvious to a person of ordinary skill in the art. From plaintiff's testimony, it is plain that the mounting of both electric meters and gas meters on posts was the established practice prior to her claimed invention. Part of the prior art was the combination of an electric meter and electric power box on one post, as was constructed by Mr. Boyle in an unpatented form since 1962, which is prior to the date of plaintiff's claimed invention. It was also common practice to mount more than one electric meter on a post, as is shown by the statements in plaintiff's original patent, no. 3,502,785, issued March 24, 1970.

The only difference between plaintiff's claimed invention and the prior art is that plaintiff's device mounted an electric and fuel meter with a power box on a post rather than many electric meters or just an electric meter and a power box.

From the state of the prior art it is clear that it was obvious to a person of ordinary skill in the art that a post could be made to support both a gas and electric meter. The only issue over which there was dispute is whether it was known that the two meters could be safely mounted together.

Mr. Boyle testified in this regard that he thought that the presence of gas and electricity in close proximity was unsafe.

Whether persons of ordinary skill

in the art disagree as to the safety of a product or technique does not determine the issue of obviousness. The issue regarding obviousness is whether the differences embodied in a combination product and the result so produced would have been non-obvious to a person of ordinary skill in the art, not whether there was a controversy over whether such was safe. In Re Jansen, 525 F2d 1059 (Cust & Pat App, 1975).

Accordingly, it is clear that a person of ordinary skill in the art would have known that a gas meter, electric meter, and electric power box could all be mounted on the same post. Whether such was a safe practice or not is a different issue. Turning to plaintiff's patent claims to measure the extent of plaintiff's claimed invention, as this Court must do, Phillips Industries Inc & Mobil Temp Inc v. State Stove & Manufacturing Co Inc supra the Court finds that the only safety feature embodied in plaintiff's invention is the placement of the gas meter beneath the electric meter and electronic power box. In this respect, the Court finds that it would have been obvious to a person of ordinary skill that the gas meter could be placed lower on the post and that such placement would result in minimizing the amount of exposed gas tubing between the ground and the gas meter. Other than this, the arrangement set forth in patent claims no. (4) and (21) show nothing to resolve any difficulties resulting from electric lines and gas tubing being in proximity.

Although commercial success may be considered in determining obviousness, commercial success is of no significance

in resolving this issue in the present case. Plaintiff testified that when she first developed her product, mobile home parks did not receive piped-in natural gas. Moreover, the use of her product was also dependent on the placing of the electrical utility wires underground. Thus, the product was not a response to long felt but unsolved needs but anticipated needs which had not yet been realized. The commercial success of the product is accounted for by plaintiff's patent monopoly and the introduction of underground wires and piped natural gas to mobile home parks.

Since the Court finds no evidence on which a finding of non-obviousness could be based, the Court will grant defendant's motion for judgment notwithstanding the verdict on interrogatories number (3) and number (6). In these interrogatories, the jury had answered that a person of ordinary skill in the art would have considered the result produced by the claimed combination inventions to be unusual and surprising.

In sum, the Court finds contrary to the determinations of the jury that the patent claims at issue are invalid both for lack of novelty and because of obviousness. Although the Court is reluctant to set aside the determinations of a jury, the Court recognizes that patent validity is primarily a question of law. Dickstein v. Seventy Corp, 522 F2d 1294 (CA 6, 1975); Monroe Auto Equipment Co v Heckethorn Manufacturing & Supply Co, 332 F2d 406, 411 (CA 6, 1964). In determining the issue of validity, the Court is bound to scrutinize patented combinations of old elements with special care due to the improbability

of finding a patentable invention in an assembly of old elements, Phillips Industries Inc v Mobile Temp v. State Stove & Manufacturing Co Inc 522 F2d 1137 (CA 6, 1975); and because of the "blight" on free commerce which is imposed by an invalid patent. Heiger v Ford Motor Co, 516 F2d 1324 (CA 6, 1975).

Accordingly, the jury's answers to interrogatories numbers 2, 3, 5, and 6 will be set aside and the patent claims declared invalid.

Having found the patent claims to be invalid, the Court finds it unnecessary to address the other issues raised by defendant in his motion for judgment notwithstanding the verdict other than to set aside the damages awarded for infringement. Since the patent claims in issue are invalid, the plaintiff cannot recover for any infringement. Dickstein v Seventy Corp, supra.

Accordingly the answer to interrogatory no. 15, in which the jury awarded damages in the amount of \$6,230.00 will be set aside.

The Court is required to conditionally rule on defendant's motion for a new trial. 50(c), FR Civ P. Since the Court is aware of no error in the proceedings, the motion for a new trial will be denied.

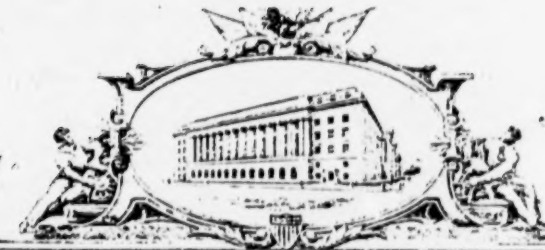
For the reasons stated herein, defendant's motion for judgment notwithstanding the verdict shall be and hereby is GRANTED, the answers of the jury to interrogatories numbers 2, 3, 5, 6, and 15 regarding the Special

Verdict on Count I are SET ASIDE, claim numbers 4 and 21 of Reissue Patent No. 27,400 are hereby DECLARED INVALID, and defendant's motion for a new trial is DENIED.

Judgment will be entered for the defendant on both counts.

IT IS SO ORDERED.

JAMES HARVEY
United States District
Judge



27400

UNITED STATES OF AMERICA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Whereas, THERE HAS BEEN PRESENTED TO THE
Commissioner of Patents

A PETITION PRAYING FOR THE REISSUE OF LETTERS PATENT FOR AN ALLEGED NEW AND USEFUL INVENTION THE TITLE AND DESCRIPTION OF WHICH ARE CONTAINED IN THE SPECIFICATION OF WHICH A COPY IS HEREUNTO ANNEXED AND MADE A PART HEREOF, AND VARIOUS REQUIREMENTS OF LAW IN SUCH CASES MADE AND PROVIDED HAVE BEEN COMPLIED WITH, AND THE TITLE THERETO IS, FROM THE RECORDS OF THE PATENT OFFICE IN THE CLAIMANT(S) INDICATED IN THE SAID COPY, AND WHEREAS, UPON DUE EXAMINATION MADE, THE SAID CLAIMANT(S) IS (ARE) ADJUDGED TO BE ENTITLED TO A REISSUE PATENT UNDER THE LAW.

NOW, THEREFORE, THESE Letters Patent ARE TO GRANT UNTO THE SAID CLAIMANT(S) AND THE SUCCESSORS, HEIRS OR ASSIGNS OF THE SAID CLAIMANT(S) FOR THE UNEXPIRED PART OF THE TERM OF SEVENTEEN YEARS FROM THE DATE OF THE ORIGINAL GRANT, SUBJECT TO THE PAYMENT OF ISSUE AS PROVIDED BY LAW, THE RIGHT TO EXCLUDE OTHERS FROM MAKING, OR SELLING THE SAID INVENTION THROUGHOUT THE UNITED STATES.



In testimony whereof, I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington this twentieth day of June, in the year of our Lord one thousand nine hundred and seventy-two, and of the Independence of the United States of America the one hundred and ninety-sixth.

Attest:

Edward A. Latham Jr.
Attending Officer

Robert B. Johnson
Commissioner of Patents

UNITED STATES PATENT OFFICE
CERTIFICATE OF CORRECTION

Patent No. Re. 27,400 Dated June 20, 1972

Inventor(s) Anne D. Nickola

It is certified that error appears in the above-identified patent and that said Letters Patent are hereby corrected as shown below:

Column 5, Claim 14, line 49, delete "through the interior of" and insert --along--.

Column 5, Claim 15, line 60, delete "through the interior of" and insert --along--.

Column 5, Claim 16, line 68, delete "through the interior of" and insert --along--.

Column 6, claim 17, line 3, delete "through the interior of" and insert -- along --.

Signed and sealed this 20th day of March 1973.



Robert Gottschalk

ROBERT GOTTSCHALK
Commissioner of Patents

ATTEST:

Edward W. Stetson

ATTESTING OFFICER

Reissue Patent No. 27,400

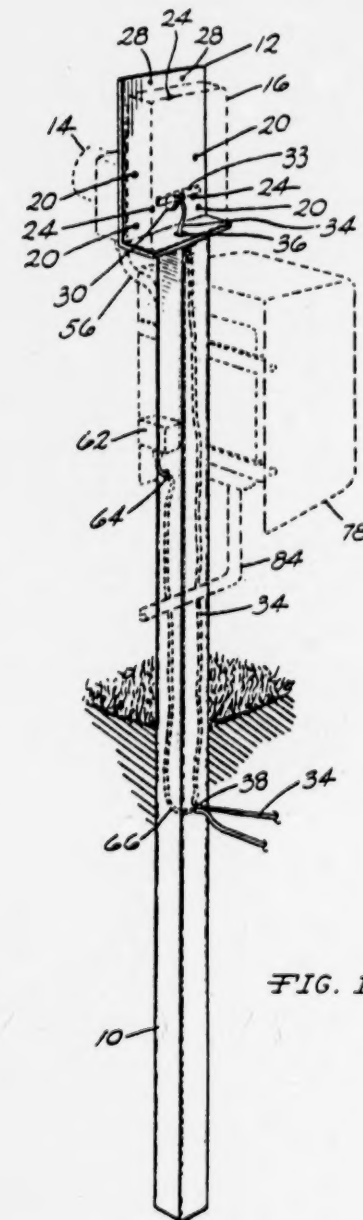


FIG. 1

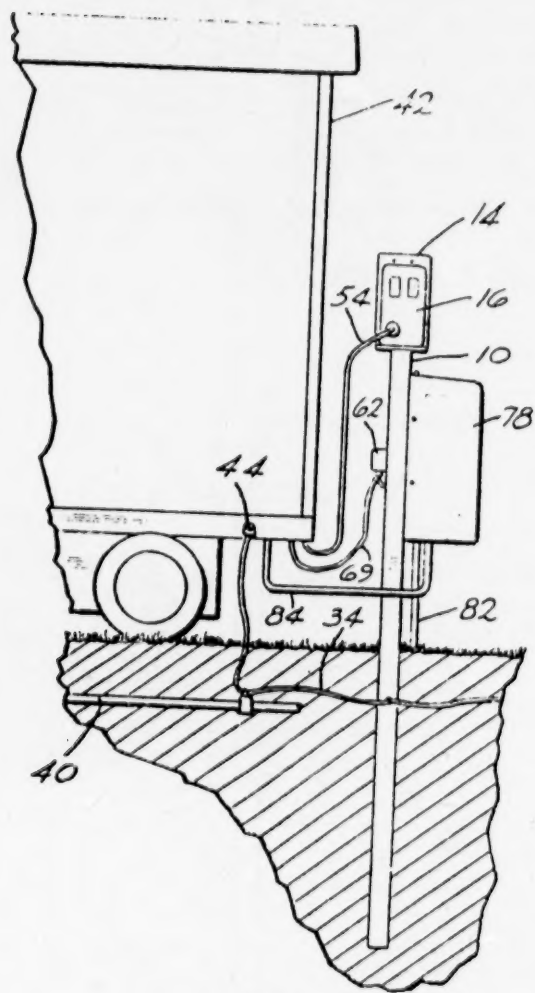


FIG. 2

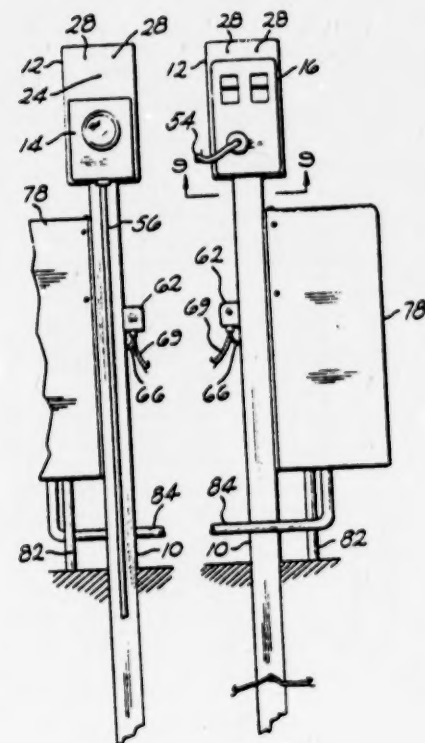


FIG. 3

FIG. 4

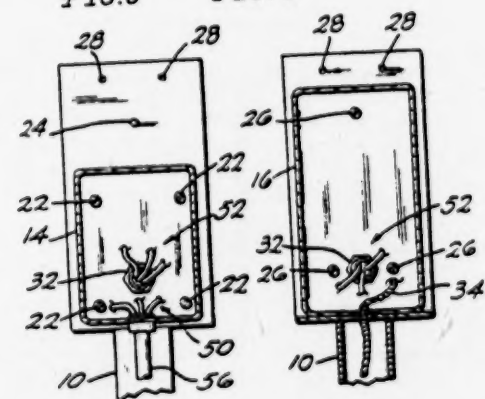


FIG. 7

FIG. 8

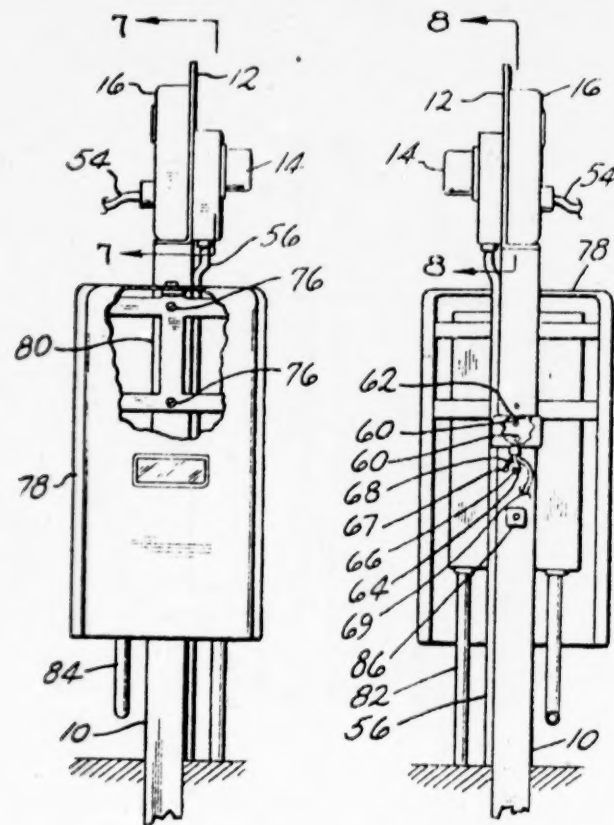


FIG. 5

FIG. 6

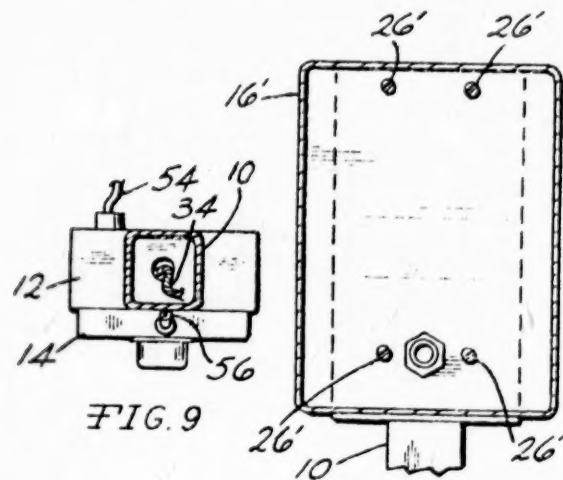


FIG. 9

FIG. 10

INVENTOR

ANNE D. NICKOLA

BY

27,400

MOUNTING PEDESTAL FOR UTILITIES

Anne D. Nickola, Diane Trailer Park, 6-6255 N.

Saginaw Road, Mount Morris, Mich. 48458

Original No. 3,502,785, dated Mar. 24, 1970, Ser. No.

684,199, Nov. 20, 1967. Application for reissue Dec.

3, 1970, Ser. No. 95,002

Int. Cl. H02g 9/00

U.S. Cl. 317-99

23 Claims

Matter enclosed in heavy brackets [] appears in the original patent but forms no part of this reissue specification; matter printed in italics indicates the additions made by reissue.

ABSTRACT OF THE DISCLOSURE

A mounting pedestal adapted to support an electrical power box, an electric meter, a telephone box, a television jack, and a gas meter operatively in a compact arrangement for providing utility services to a mobile home. A hollow, rectangular metal post is supported in an upright position in the ground, extending thereabove, and supports an L-shaped mounting bracket on the top thereof. The bracket provides the means for supporting the power box and the meter with the telephone box, television jack and gas meter carried by the post at positions below the bracket. A ground wire is disposed within the post to connect the box, the bracket and meter to an underground grounding means.

BACKGROUND OF THE INVENTION**Field of the invention**

The present invention relates to mounting pedestals for utilities, and more particularly to a mounting pedestal adapted for mounting in a safe, compact, unique and novel relationship an electrical power box, an electric meter, a telephone box, a telephone jack, and gas meter for conveniently furnishing such utilities to a mobile home.

Description of the prior art

Heretofore, electrical power, telephone service, and gas have been provided for mobile homes through separate lines and conduits leading from meters and junction boxes supported in the vicinity of the mobile home but at separate locations selected by each utility company. In trailer parks, if there were no conveniently located tree or utility pole in proximity to the mobile home, it was necessary for each utility company to drive a post into the ground to support the meter or junction box for servicing one or more nearby mobile homes. This resulted in a tangled web of electrical wires, telephone wires, and gas lines. Further, when a mobile home is removed from its parking site, each of the utilities must be disconnected and, if the meters or junction boxes were mounted upon the mobile home itself, they had to be physically removed therefrom at considerable cost of labor.

Each utility company hesitated to mount its equipment upon a post or pole provided by another utility company. If a single mounting pedestal were provided by the owner of the trailer court, it was necessary to secure clearance from the telephone company, the gas company, and the electrical power company, from the state trailer park licensing authority, and from the appropriate licensing authority of the municipality or township within which the trailer park was located, before two or more utilities could install their equipment in such close proximity to each other, for reasons of safety.

SUMMARY

It is accordingly an object of the present invention to provide an improved mounting pedestal for utilities adapted to operatively support in a safe, convenient relationship, electrical power, telephone, television, and gas service equipment for a mobile home in a manner which permits convenient connection and disconnection of such services to the mobile home. A further object of the invention is to provide a mounting pedestal for utilities which is inexpensive, easily constructed, and which meets the safety requirements of all major utility companies and conventional building and safety codes.

BRIEF DESCRIPTION OF THE DRAWINGS

FIGURE 1 is a perspective view of my improved mounting pedestal for utilities, showing in dotted lines the electrical power box, electrical meter, telephone box, gas meter, and electrical ground wire supported thereby.

FIGURE 2 is a front view, partially in section, of a portion of a mobile home and surrounding ground area, showing the general manner in which utility equipment and connections are supported and provided by my invention.

FIGURE 3 is a rear elevation view of my invention.

FIGURE 4 is a front elevation view of my invention.

FIGURE 5 is a right elevation view of my invention.

FIGURE 6 is a left elevation view of my invention.

FIGURE 7 is a sectional view of an electrical meter taken along line 7-7 of FIGURE 5.

FIGURE 8 is a sectional view of an electrical power outlet taken along line 8-8 of FIGURE 6.

FIGURE 9 is a sectional view of a utility mounting pedestal, electrical box, and electrical meter taken along line 9-9 of FIGURE 4.

FIGURE 10 is a view similar to FIGURE 8 but showing a one hundred ampere electrical power outlet in use with my invention in place of a fifty ampere outlet.

DESCRIPTION OF THE PREFERRED EMBODIMENT

Referring now more particularly to the drawings, in which like characters are employed to designate like parts throughout the same, I provide an elongated, hollow, metal post 10, preferably having a cross-section three inches by three inches, and painted with a rust proof paint or otherwise protected against rusting. Post 10 is of sufficient length to be supported upright when buried or driven into the ground, and to extend upwardly above the ground a sufficient distance to conveniently support utility meters and junction boxes thereon as more particularly hereinafter described. In practice, I have found it convenient to make post 10 eight feet, more or less, in length, to have it extend approximately four feet six inches into the ground, and to extend approximately forty-two inches above the surface of the ground.

An L-shaped mounting bracket 12 is welded or otherwise secured atop post 10, as best shown in FIGURES 1, 5, and 6. As best shown in FIGURES 1, 7, 8 and 10, the upright portion of bracket 12 is drilled with nine holes, each adapted to receive a machine screw and positioned to correspond with the standard mounting screw bolt apertures provided in the rear surface of a conventional electric power meter 14 and either a conventional fifty ampere electrical power box 16 or a conventional one hundred ampere electrical box 16'. In Michigan, the conventional electrical meter utilized by the electric utility companies requires the use of four apertures 20, 20, 20, 20, to receive machine screws 22, 22, 22, 22. The conventional fifty ampere electrical box 16 available for use in this same area requires three apertures 24, 24, 24 to receive machine screws 26, 26, 26 extending through corresponding apertures in the box. A pair of additional apertures 28, 28 are also provided in bracket 12 to receive the upper pair of machine screws 26', 26' of a conventional one hundred ampere electrical power box 16' when such a larger box is used instead of a fifty ampere electrical power box 16.

A larger aperture 30 is also drilled in the upright portion of bracket 12 in a position of mutual alignment with the conventional knock-out apertures (not shown) conventionally provided at the rear of meter 14 and power box 16 or 16'. When the meter and either power box are supported upon bracket 12 as hereinabove described, and with the knock-out apertures of the meter and box removed, a conventional threaded raceway 32 is secured through the knock-out apertures and aperture 30 of bracket 12, and secured in the usual manner, thus providing a passage for electrical wires between meter 14 and power box 16 or 16', and further securing the meter and power box together and to bracket 12.

The conventional ground terminal 33 provided in power boxes 16 and 16' is grounded by a ground wire 34 which extends downwardly through an aperture 36 in the bottom portion of bracket 12, and through the interior of hollow post 10, and emerges through an aperture 38 drilled in a wall of the post at a point which lies underground when the post is in use. As best shown in FIGURE 2, ground wire 34 is connected, in turn, to one of the conventional underground metal water pipe 40 provided for the mobile home 42 to which the utility services are provided, and to the conventional ground wire connection 44 of the mobile home itself. This combination insures a positive grounding of the mobile home appliance, the post, the power box, power meter, telephone box and gas mounted upon, and themselves grounded to the post.

Electrical power is supplied to meter 14 through three-conventional electrical wires generally indicated at 50. After metering, the electric current passes by electrical wires generally indicated at 52 through raceway 32 into power box 16. A flexible, weatherproof electrical cord 54 then conducts the electrical current from power box 16 to the conventional electrical power inlet (not shown) of mobile home 42. Electrical wires 50 are preferably shielded by an electrical conduit 56 extending from the bottom of meter 14 downwardly along post 10 to a point below ground, and extending thence to a transformer or other conventional electrical power distribution point maintained by the electrical power company.

As best shown in FIGURE 6, the left side of post 10 is provided with a pair of apertures adapted to receive self-threading screws or toggle bolts 60, 60 for supporting thereon a conventional telephone service box 62. An additional aperture 64 is provided in post 10 immediately below box 62 to receive conventional telephone service wires 66 and permitting same to extend downwardly within the post to aperture 38 from which they emerge and extend underground to a convenient location for connection to the main telephone service line. A smaller aperture (not shown) is drilled into post 10 adjacent to aperture 64 and tapped to receive a machine screw 67 by which the conventional ground wire 68 for box 62 may be fastened to the post. The lead-in wires for conveying telephone service from box 62 to mobile home 42 are contained in a conventional flexible, weatherproof cable 69 and are connected to the conventional telephone inlet (not shown) of mobile home 42 in the usual manner.

An additional pair of apertures are provided in the right side of post 10 to receive self-threading screws or toggle bolts 76, 76 for securing a conventional gas meter box 78 to the post as best shown in FIGURE 5. Bracing means generally indicated at 80 in FIGURE 5 is conventionally provided within the gas meter box 78 to facilitate mounting same. A gas inlet pipe 82 extends from meter 78

downwardly into the ground, and from thence to the conventional distribution lines of the gas company, to supply gas under pressure to the meter. Metered gas is, in turn, conducted from meter 78 by a gas pipe 84 to the conventional gas inlet (not shown) of mobile home 42.

As an optional feature, a conventional television antenna connection 86 may be mounted upon post 10, preferably below telephone box 62 as shown in FIGURE 6, and a television antenna cable extend through an aperture (not shown) in the post, downwardly through the interior of the post, and outwardly through aperture 38 (or a separate aperture, if preferred), underground to the common television antenna of a central antenna system providing service for several mobile homes.

It will be particularly noted that the spatial arrangements of meter 14, power box 16, mounting bracket 12, aperture 30 and 36, ground wire 34, and aperture 38, all cooperate to provide a structurally strong, easily assembled, and perfectly grounded assembly for the purpose intended. Gas meter 78 and telephone box 62, being mounted on opposite side of post 10, are physically separated and yet permanently grounded by common post 10 to which they are both fastened. The service lines and pipes for all three utilities extend underground from post 10 or immediately adjacent thereto to the conventional distribution lines or pipes of the utility companies, thus being protected against damage by moving vehicles and mobile homes being moved into and out of the trailer park. Lines 54, 68, and 84, which conduct utility services from the mounting pedestal to mobile home 42 and ground wire 34, may be easily disconnected at their respective conventional points of connection to the mobile home when it is desired to remove the mobile home from the site.

My invention has received approval of Michigan Bell Telephone Company, Consumers Power Company, Michigan Consolidated Gas Company, the Michigan Mobile Home Association, the National Mobile Home Association, the Mobile Homes Manufacturers Association Park Division, and the Michigan State Electrical Administration. It is accordingly adapted for use in compliance with the strictest building and safety codes, and hence provides assurance to all utility companies, licensing authorities, trailer park operators and mobile home owners of maximum safety, convenience, ease of installation, and rapid and convenient connection and disconnection of utility services to a mobile home.

What is claimed is:

1. An elongated hollow post closed at one end and adapted to be partially embedded in the ground in the upright position with said closed end disposed above ground,

an L-shaped bracket carried by said post having a base portion extending across said upper end of said post and an upstanding portion for mounting an electrical meter and a power box on opposite sides of said upstanding portion, and

a ground wire carried within said post and having one end extending through said base portion for connection with said meter and said power box and an opposite end adapted for connection to a grounding means, said opposite end extending from said post at a point along the length thereof which would be below ground when the post is embedded in the ground.

2. The post as defined in claim 1, including means carried by said post for mounting a telephone box and a gas meter to said post.

3. The post as defined in claim 1, and including means longitudinally spaced from said bracket for mounting a television jack on one side of said post.

4. An elongated post mounted in an upright position, an electrical meter and an electrical power box mounted on the upper end of said post on opposite sides thereof, a heating fuel metering means mounted to said post below said electrical meter and said electrical power box.

5. The post as defined in claim 4 and including a ground wire having one end mounted to said power box and extending along said post with the other end mounted to a grounding means.

6. The post as defined in claim 5 and including a telephone box mounted to said post.

7. A hollow post mounted in an upright position, a bracket supported at the top of said post, said bracket having an upright portion, an electrical meter and an electrical power box mounted on opposite sides of the upright portion of said bracket, and a common ground wire electrically connecting said electrical meter and power box to a grounding means.

8. The post as defined in claim 7 and including a gas meter mounted to said post below said bracket.

9. The post as defined in claim 7 and including a telephone box and a television jack mounted to said post.

10. A hollow metal post mounted in the ground in an upright position, a bracket having an upright portion and a horizontal portion, said bracket supported atop said post and having a first aperture in said upright portion and a second aperture in said horizontal portion, said second aperture being in registry with the interior of said post, an electrical meter and an electrical power box mounted on opposite sides of said bracket, electrical wires connecting said electrical power box and said electrical meter through said first aperture, a common ground wire electrically connected to said electrical power box and said electrical meter and extending through said second aperture into the interior of said post to emerge therefrom beneath the ground to be connected to a grounding means.

11. The post as defined in claim 10 and including a heating fuel metering means mounted to said post below said bracket.

12. The post as defined in claim 10 including a telephone service box mounted to said post and telephone service wires carried within said post and connected to said telephone service box.

13. The post as defined in claim 10 and including a television antenna connection mounted on said post and a television antenna cable connected to said television antenna connection and extending into the interior of said post.

14. An elongated hollow post mounted in an upright position with one end below ground, an electrical meter and an electrical power box mounted at the upper end of said post in back-to-back relationship, electrical wires extending upwardly through the interior of said post from a point below ground and electrically connected to said meter, an electrical wire connected to and extending from said power box, a ground wire extending along said post with one end connected to said power box and an opposite end extending through the ground through a grounding means, and a gas meter mounted to said post.

15. An elongated hollow post mounted in an upright position with one end below ground, an electrical meter and an electrical power box mounted at the upper end of said post in back-to-back relationship, electrical wires extending upwardly through the interior of said post from a point below ground and electrically connected to said meter, an electrical wire connected to and extending from said power box, and a gas meter mounted to said post.

16. An elongated hollow post mounted in an upright position with one end below ground, an electrical meter and an electrical power box mounted at the upper end of said post in back-to-back relationship, electrical wires extending upwardly through the interior of said post from a point below ground and electrically connected to said meter, an electrical wire connected to and extending from said power box, and a telephone box mounted to said post.

17. An elongated hollow post mounted in an upright position with one end below ground, an electrical meter

and an electrical power box mounted at the upper end of said post in back-to-back relationship, electrical wires extending upwardly through the interior of said post from a point below ground and electrically connected to said meter, an electrical wire connected to and extending from said power box, and a television jack mounted to said post.

18. An elongated hollow post adapted to be partially embedded in the ground at an upright position;

a bracket supported at the top of said post and an electrical meter and an electrical power box supported on said bracket, an electrical power wire and a ground wire in said meter and said box having means thereon for securing said electrical power wire and said ground wire thereto;

said post having an aperture formed therein which would be below ground when the post is embedded in the ground for receiving one of said wires thereto and a passageway formed therein substantially parallel to the axis of elongation of said post and communicating with said aperture for communicating a wire from said aperture to said meter and box, said post including a wall extending substantially parallel to the axis of elongation of said post for separating said power wire from said ground wire when said wires are connected to said meter and box;

and including a gas meter secured to said post.

19. The post as defined in claim 18 including mounting means carried by said post for securing a telephone box thereto.

20. The post as defined in claim 18 including means carried by said post for mounting a television jack thereto.

21. An elongated post mounted in an upright position, an electrical meter and an electrical power box mounted to said post, electrical wires extending upwardly along said post and electrically connected to said meter, an electrical wire connected to and extending from said power box, and a heating fuel metering means mounted to said post.

22. The post as defined in claim 21 and including a ground wire having one end mounted to said power box and extending along said post with the other end mounted to a grounding means.

23. The post as defined in claim 21 and including a telephone box mounted to said post.

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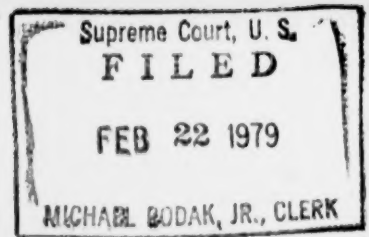
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LARAMIE E. ASKIN, Primary Examiner

U.S. Cl. X.R.

174—38, 45 R



IN THE

Supreme Court of the United States

OCTOBER TERM 1978

NO. 78-1150

ANNE D. NICKOLA, Petitioner

vs.

**KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,
Respondent**

BRIEF FOR RESPONDENT OPPOSING PETITIONER'S PETITION FOR WRIT OF CERTIORARI

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IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1978

No. 78-1150

ANNE D. NICKOLA,
PETITIONER,

v.

KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,
RESPONDENT.

BRIEF FOR RESPONDENT OPPOSING PETITIONER'S
PETITION FOR WRIT OF CERTIORARI

Respondent, Kenneth Peterson, doing business as Kaydee Products Company, opposes the granting of Petitioner's petition for writ of certiorari, and in support of such opposition presents this brief.

STATEMENT OF THE CASE

Petitioner's brief contains no statement, as such, of the case, and omits certain matters which respondent believes

are pertinent to the issues presented by the petitioner. Accordingly, respondent submits the following to amplify and clarify the issues.

On March 18, 1973, petitioner filed a complaint in the United States District Court for the Eastern District of Michigan - Flint, accusing respondent of infringing (all claims of) reissue patent No. 27,400. On November 18, 1975, trial commenced before a jury. On petitioner's motion, trial was limited to claims 4 and 21 of the patent.

At the conclusion of the presentation of petitioner's testimony, the respondent presented a motion for a directed verdict as to all issues, including the invalidity of claims 4 and 21. Such motion was denied.

At the conclusion of the presentation of all testimony and evidence for both parties, and prior to submission of the issues to the jury, counsel for both petitioner and respondent presented motions orally in open court requesting a directed verdict in favor of the respective parties as to all issues. Both motions were denied.

The trial court thereupon submitted the case to the jury which was required to answer 15 separate interrogatories. On November 26, 1975, the jury returned its verdict. Some interrogatories, including Nos. 2, 3, 5, and 6 (here in issue), were answered "yes", others were answered "no" and interrogatory No. 15, relating to the amount of damages suffered by petitioner, was determined by the jury to be \$6,230.00.

Following entry of the verdict, respondent filed a timely motion for judgment notwithstanding the verdict or alternatively for a new trial with accompanying brief.

On December 12, 1975, pursuant to instructions from the Court, respondent filed a memorandum as to invalidity, as a matter of law, of claims 4 and 21 of reissue patent No. 27,400.

On March 8, 1976, the trial court filed its memorandum opinion and order setting aside the jury's affirmative answers to interrogatories Nos. 2, 3, 5, and 6, setting aside the jury's answer to interrogatory No. 15 awarding damages to petitioner in the amount of \$6,230.00,

granting respondent's motion for judgment notwithstanding the verdict, denying respondent's alternative motion for a new trial, and declaring claims 4 and 21 of reissue patent No. 27,400 invalid for want of novelty under 35 USC 101 and for obviousness under 35 USC 103.

Petitioner subsequently appealed to the United States Court of Appeals for the Sixth Circuit seeking reversal of those portions of the decision of the trial court in setting aside the jury's answers to interrogatories Nos. 2, 3, 5, 6, and 15 and declaring claims 4 and 21 of reissue patent No. 27,400 invalid.

On June 23, 1978, the United States Court of Appeals for the Sixth Circuit filed an opinion in which it reversed the holding of invalidity of claims 4 and 21 for want of novelty under 35 USC 101, but affirmed the setting aside of the jury's answers to interrogatories Nos. 2, 3, 5, 6, and 15, and affirmed the trial court's decision that claims 4 and 21 of reissue patent No. 27,400 are invalid for obviousness under 35 USC 103.

Petitioner thereupon filed a

petition for rehearing en banc. Such petition was denied.

THE QUESTION PRESENTED TO THIS
COURT BY PETITIONER

Petitioner submits to this Court that the question presented by the proceedings below is:

Whether the trial court exceeded its jurisdiction, as limited by the Seventh Amendment of the United States Constitution, by setting aside a jury verdict favoring validity of the Nickola patent, and then finding that the infringer, Peterson, had met his statutory burden of proof, under 35 USC 282, based upon the same evidence passed upon and rejected by the jury.

In support of her position, petitioner points out that the Seventh Amendment of the Constitution specifies that "... no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of common law."

Petitioner appears to base her petition on the following:

1. No fact found by a jury can be reexamined under any circumstances.
2. That the jury's answering affirmatively interrogatories Nos. 2, 3, 5, and 6 necessarily means that claims 4 and 21 of reissue patent No. 27,400 are valid and that the jury's answers to such interrogatories cannot be set aside.
3. Respondent presented no credible evidence at the trial which would warrant setting aside the jury's answers to the interrogatories and which is sufficient to rebut the statutory presumption, under 35 USC 282, that a patent shall be presumed valid.

RESPONDENT'S VIEW OF THE QUESTIONS
PRESENTED BY PETITIONER'S PETITION

Respondent does not agree that the question propounded by petitioner truly represents the issue. Respondent submits that the issue is represented by the following questions:

1. May a Court grant a motion for

judgment notwithstanding the verdict and set aside a jury's findings of facts without contravening the Seventh Amendment?

2. Did the procedure followed by the courts below in setting aside the jury's answers to interrogatories Nos. 2, 3, 5 and 6 comply with the Seventh Amendment?

3. Were the courts below correct in holding that the question of patent validity is one of law?

SUMMARY OF RESPONDENT'S ARGUMENTS

The language of the Seventh Amendment to the Constitution prohibiting reexamination of a fact tried by a jury otherwise "than according to the rules of common law" manifestly permits the reexamination of such facts according to the rules of common law. If no such reexamination were permitted, under any circumstances, then the reference in the Amendment to the rules of common law has no meaning. The inquiry, therefore, must be whether the rules of common law were applied in the reexamination of those

facts which were reexamined. Respondent submits that the rules of common law scrupulously were followed, both by the trial court and by the appellate court.

In support of their respective conclusions, both the trial court and the appellate court referred to testimony and evidence, both uncontested and uncontroverted, including evidence introduced and testimony given by petitioner herself, which not only justified, but compelled, setting aside the jury's answers to interrogatories Nos. 2, 5, and 15.

In view of a long and unbroken chain of decisions by this Court, there can be no question at this date that the validity of a patent is a question of law for determination by a court, and not a question of fact for determination by a jury.

Petitioner did not raise any issue involving the Seventh Amendment until she filed her petition for rehearing en banc by the Court of Appeals. Such

issue, therefore, cannot be a proper subject for review at this time.

Petitioner's petition does not present any novel, unresolved, special, or important reasons within the meaning of Court Rule 19 which compel the granting of certiorari.

THE SEVENTH AMENDMENT AND JUDGMENTS NOTWITHSTANDING THE VERDICT

The common law practice and the constitutionality of granting motions to set aside a jury's verdict pursuant to the Seventh Amendment have been well established by a trilogy of cases, the first of which is Slocum v. New York Life Insurance Co., 228 US 364 (1913), wherein this Court stated:

"... at common law there were two well-recognized instances in which the verdict could be disregarded and the case disposed of without a new trial. One was where the defendant's plea confessed the plaintiff's cause of action and set up

matter in avoidance, which even if true, was insufficient in law to constitute a bar or defense; and the other was where the plaintiff's pleading, even if its allegations were true, disclosed no right of recovery. If in either instance a verdict was taken, the court nevertheless can make such disposition of the case as was required by the state of the pleadings, and this because the issues settled by the verdict were wholly immaterial. In the first instance the court's action was invoked by a motion for judgment non-obstante veredicto, and in the latter by a motion to arrest judgment on the verdict."

In the second case, Northern Railway, v. Page, 274 US 65 (1927), this Court approved the District Court's use of the Massachusetts practice of entering judgment in a case on the basis of one of alternate verdicts requested of the jury because of the Court's indecision as to whether a directed verdict

was proper. This practice was held not to be a reexamination of the facts within the meaning of the Seventh Amendment.

In the third case, Baltimore and Carolina Line v. Redman, 295 US 654, (1935), this Court approved entry of a judgment after verdict, and contrary thereto, where, in accordance with the state practice, the federal district judge had expressly reserved decision on a motion for a directed verdict.

Rule 50(b), Federal Rules of Civil Procedure, permits a motion for judgment notwithstanding the verdict to be filed and considered whenever a motion for a directed verdict made at the close of all the evidence is denied or for any reason is not granted, and specifically provides that "the court is deemed to have submitted the action to the jury subject to a later determination of the legal questions raised by the motion."

Each of the Slocum, Page, and Redman cases preceded the adoption of Rule 50(b). Accordingly, it is clear that the common law practice with re-

spect to judgments notwithstanding the verdict was that a trial court, following the presentation and denial of a motion for a directed verdict at the close of all evidence, and upon the timely filing of a motion for judgment n.o.v., could reexamine its decision to deny the motion for a directed verdict.

The decisions in these three cases formed the basis for the adoption of Rule 50(b) and such Rule reflects the common law practice, with the single exception that the Rule makes automatic the Court's reserving for later determination the legal questions raised by the motion. Thus the constitutionality of the procedure sanctioned by Rule 50(b) cannot be doubted. In fact, the courts assume the propriety of its use. Montgomery Ward & Co. v. Duncan, 311 US 243 (1940); Berry v. United States, 312 US 450, (1941); Maniaia v. Potomac Electric Power Co., 268 F2d 793 (CA 4, 1959), cert. denied 361 US 913.

THE COURTS BELOW DID COMPLY
WITH THE SEVENTH AMENDMENT

Having established the constitutionality of a court's setting aside a jury's findings pursuant to Rule 50(b), the next question to be considered is whether the procedure sanctioned by Rule 50(b) has been followed in this case. Respondent respectfully submits that such procedure was indeed followed in this case, both by the trial court and by the appellate court. Although it does not appear from petitioner's brief, it is a fact that, following the close of the evidence, respondent moved the court for a directed verdict in his favor as to all issues in suit and that such motion was denied. See page A49 of the appendix accompanying petitioner's brief. Accordingly, two of the requirements relating to motions for judgment notwithstanding the verdict were met. That is, (1) respondent presented a motion for a directed verdict at the close of all the evidence and (2) such motion was denied. Subsequently, respondent presented to the trial court a timely motion for judgment notwithstanding the

verdict, together with an alternative motion for a new trial, accompanied by a brief. This fact also is referred to on pages A49 and A50 of the appendix accompanying petitioner's brief. Thus, all requirements of Rule 50(b) as a condition precedent to consideration of the issues raised by the motion for judgment n.o.v. were complied with by respondent.

THE STANDARDS FOR GRANTING
MOTIONS FOR JUDGMENT N.O.V.

Since all the requirements of Rule 50(b) were complied with by respondent, the next question for examination is whether the lower courts applied the proper standards in granting and affirming respondent's motion for judgment notwithstanding the verdict. It is submitted on behalf of respondent that such standards were applied by both courts below.

The standards for granting a motion for judgment notwithstanding the verdict, and on which the constitutionality of such action depends, are the same as those governing the direction of a

verdict. See Moore's Federal Practice, Section 50.07[2] and the cases cited therein. This Court, in Brady v. Southern Railroad, 320 US 477 (1943), set forth the standards applicable to the direction of a verdict (and hence to motions for judgment n.o.v.) as follows:

"When the evidence is such that without weighing the credibility of witnesses there can be but one reasonable conclusion as to the verdict, the court should determine the proceeding by nonsuit, directed verdict or otherwise in accordance with the applicable practice without submission to the jury, or by judgment notwithstanding the verdict."

For a court to reexamine its decision on a motion to direct a verdict after the jury has returned its verdict is not a denial of the constitutional right to a jury trial, nor a reexamination of any facts tried by the jury, for the reason that a motion for a directed verdict presents only a question of law. Ryan Distributing Corp. v. Caley, 147

F2d 138 (CA 3 1945).

The rule announced in the Brady case requires consideration by a court of the evidence without weighing the credibility of witnesses. On pages 10-12, 21, 23, 28, and 31 of her brief, however, petitioner refers to and challenges the credibility of witness Francis Boyle, notwithstanding the fact that the credibility of a witness cannot be considered in a question involving Rule 50(b). It is manifest, however, that the trial court did not weigh the credibility of Mr. Boyle in granting respondent's motion for judgment notwithstanding the verdict. In support of this observation reference is made to the following statements in the trial court's opinion:

"The testimony of plaintiff [petitioner] was to the effect that the gas meter, the electric meter, and the electric power box functioned in precisely the same manner when installed as parts of the Power Pack Pedestal [petitioner's trademark for her product]

as when mounted independently. Plaintiff does not claim that the elements do produce a new or different result and it is plain that no such result was even intended. Plaintiff produced the pole and internal wiring for the pole, and provided braces on which the utility companies would then install ordinary gas and electric meters, which were meant to operate in the same manner when installed as any other meter." (Pages A53 and A54 of the appendix accompanying petitioner's brief.)

"The uncontroverted evidence before the Court is that there is no cooperation between the elements in plaintiff's [petitioner's] claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements." (Page A56 of the appendix accompanying

petitioner's brief.)

"From plaintiff's [petitioner's] testimony, it is plain that the mounting of both electric and gas meters on posts was the established practice prior to her claimed invention." (Page A58 of the appendix accompanying petitioner's brief.)

The significance of the foregoing is that the trial court found, and the appellate court affirmed, upon examination of uncontroverted evidence and the testimony of petitioner herself, that the component parts of her claimed invention, when assembled, functioned in the precise manner that they functioned separately; that there was no cooperation among the elements of petitioner's claimed invention; that no result of the combination of the elements of petitioner's claimed invention was produced other than the sum of the independent functions of such elements; and that the mounting of electric meters and gas meters on posts was the established practice prior to

petitioner's claimed invention. This evidence is in direct conflict with the jury's answers to interrogatories nos. 2 and 5. Since such evidence was uncontroverted, there obviously was no evidence on which the jury could base affirmative answers to these interrogatories.

The facts referred to above correspond to the facts urged by respondent at the time of presenting his motions for a directed verdict.

It long has been the law that, in a patentable invention, the individual elements of a claimed combination of elements must cooperate with one another to produce a result other than that produced by the sum of the individual elements themselves. Great A & P Tea Co. v. Supermarket Equipment Corp., 340 US 147 (1950); Anderson's Black Rock, Inc. v. Pavement Salvage Co., 396 US 57 (1969); Graham v. John Deere Co., 383 US 1 (1966); Sakraida v. Ag Pro, Inc., 96 S Ct. 1532 (1976). In a case where, as here, petitioner herself acknowledged the fact that there is no cooperation among the

elements of her claimed invention and that no cooperative result is produced other than the sum of the independent functions of those elements, then claims reciting such an aggregative assemblage of elements are not and cannot be valid under the law.

From the foregoing, it is apparent that, in their examination of the evidence pursuant to respondent's motion for judgment notwithstanding the verdict, the lower courts kept their examinations well within the bounds permitted by the Seventh Amendment.

INTERROGATORIES 2 AND 5 VIS-
A-VIS INTERROGATORIES 3 AND 6

The immediately foregoing discussion has been confined to interrogatories Nos. 2 and 5 and does not relate to interrogatories 3 and 6. This is because interrogatories Nos. 2 and 5 inquire into the result obtained by a plurality of individual elements when combined as compared to the results obtained by the individual elements when not combined. The result

obtained by a combination of elements operating in concert is a proper subject of inquiry in determining the validity of a patent claim reciting such combination. Interrogatories Nos. 3 and 6, however, do not relate to the result produced by a combination of elements acting in concert. Instead, these interrogatories relate to whether the result is unusual or unexpected.

Whether the result of a combination of elements is or is not unusual or unexpected has nothing to do with a claim's validity, for the reason that the unusualness or unexpectedness of a result is not, and cannot be, a requirement for patentability. As was succinctly stated by the appellate court in its opinion (page A30 of the appendix accompanying petitioner's brief), "... a requirement for a new function would nullify the statutory provision for patenting 'improvements' which necessarily perform the old function of the now-improved device." Hence, it is respondent's position that regardless of whether the jury's answers to interrogatories Nos. 3 and 6 were or were not set

aside, such answers do not and cannot have any bearing on the question of the validity of the patent claims in issue, nor can such answers "favor" validity as is asserted by petitioner.

With respect to interrogatories Nos. 2 and 5, each inquires whether the various elements of the combination claimed by petitioner produces a combined result other than the result produced by the individual components operating separately. Although the jury answered each of these interrogatories affirmatively, the uncontroverted testimony, including that of petitioner herself, was directly to the contrary. As pointed out above, there was no evidence on which the jury could base an affirmative answer to either of these interrogatories, and that was the holding of both the district court and the appellate court.

PATENT VALIDITY IS A QUESTION OF LAW

Since at least 1950, the date of this Court's opinion in the A & P case, it consistently has been held by this Court

that patent validity is a question of law. In the John Deere (1966) case, the Court held "... the ultimate question of patent validity is one of law ..." The same observation was made in the opinion in the Sakraida case in 1976.

If there was any doubt in 1974, as asserted by petitioner on page 30 of her brief, that patent validity is a question of law, and thus one to be decided by a Court rather than a jury, it would appear that the 1976 opinion of this Court in the Sakraida case should dissolve all such doubt.

Respondent therefore submits that the trial court in the present case properly ruled that the question of validity of claims 4 and 21 of petitioner's reissue patent No. 27,400 was one for the court to make and that the jury did not, and could not, properly rule on the validity of such claims.

PETITIONER'S RELIANCE NOW ON THE
SEVENTH AMENDMENT IS AN AFTERTHOUGHT

Petitioner complains in her brief that the trial court ignored the Seventh Amendment, that the appellate court refused to acknowledge the existence of the Seventh Amendment, and that the courts of the Sixth Circuit ignore the constitutional rights of patent owners by refusing to reconcile such courts' practice with the Seventh Amendment. It is not believed that any of these allegations is true.

On the contrary, the record in the present case reveals that no reference to the Seventh Amendment was made by petitioner until her request for rehearing en banc was filed. Her reliance now upon the Seventh Amendment thus appears to be an afterthought. Had petitioner earlier raised the issue now sought to be raised, such issue could have been adjudicated so as to provide a proper basis for review. This, however, was not done and respondent submits that petitioner should not be

permitted to litigate before this Court an issue which was not previously urged below.

PETITIONER PRESENTS NO SPECIAL AND
 IMPORTANT REASONS FOR GRANTING
CERTIORARI

Petitioner does not make the explicit assertion that her petition presents special and important reasons for the granting of certiorari under this Court's Rule 19 and, therefore, both the Court and respondent are left to grope for what such reasons may be. It appears, however, that petitioner feels some courts hold patent validity is a question of law, whereas other courts hold it is a question of fact. If this is, indeed, one of petitioner's reasons, it would appear that this Court disposed of the conflict in its opinion in the Sakraida case.

Petitioner also appears to feel that she somehow has been deprived of the full benefits of a jury trial. This position also is without merit

for the reason that each of the courts below fully and faithfully complied with all of the constitutional and statutory requirements of setting aside the jury's answers to Interrogatories Nos. 2 and 5. Petitioner was not deprived of her right to a jury trial; she simply was unable to rebut the uncontroverted evidence adduced by respondent that there was no cooperation among the elements of her alleged combination. In a case where no such cooperation exists, it long has been the law that such a combination of elements is not a patentable invention. See the A & P, John Deere, and Sakraida cases.

Finally, petitioner appears to feel that no finding of a jury can be set aside under any circumstances. Since the Seventh Amendment permits setting aside a jury's finding in accordance with common law, and since this Court has proclaimed what the common law practice is in the Slocum, Page, Redman, and Brady cases, it is clear that petitioner's position is on unfirm ground.

Inasmuch as every reason petitioner appears to assign for the grant of certiorari in this case previously has been disposed of by this Court, not only once, but several times, there is nothing sufficiently special or important to compel the grant of petitioner's petition.

CONCLUSION

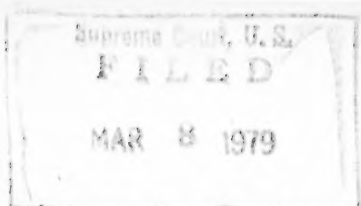
Respondent submits that the trial record and the opinions of the lower courts below show conclusively that her rights scrupulously were observed in all the proceedings, that no breach of the Seventh Amendment occurred, and that the issue of validity of claims 4 and 21 of reissue patent No. 27,400 was adjudicated in complete accord with the Constitution, statutes, and case law. This being the case, petitioner's petition presents nothing which constitutes special and important reasons, within the meaning of this Court's Rule 19, for the granting of

the petition. Accordingly, it is submitted that the petition should be denied.

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In The



Supreme Court of the United States

October Term 1978

No. 78-1150

ANNE D. NICKOLA,

Petitioner,

vs.

**KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,**

Respondent.

REPLY BRIEF FOR PETITIONER

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IN THE
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ANNE D. NICKOLA,

PETITIONER,

v.

KENNETH PETERSON d/b/a
KAYDEE PRODUCTS COMPANY,

RESPONDENT.

PETITIONER'S REPLY BRIEF

Now comes the Petitioner, Anne D. Nickola, and replies to the arguments first raised in the Respondent's Brief, in accordance with Rule 24 of the Rules of the Supreme Court, as follows:

The central issue of the Petition for Writ of Certiorari is who evaluates the evidence to determine facts in a patent jury case. The Petitioner submits that the jury determines facts and that the jurisdiction of the court is to determine the law. The Respondent's position appears to be that because validity is a question of law, the court determines facts, a position in complete conflict with the Seventh Amendment. The Respondent has raised in his Brief

several arguments that are either inconsistent with the facts in this case or the law pertaining to the Seventh Amendment.

Respondent's argument on Page 9 refers to the qualification in the Seventh Amendment that no fact tried by a jury shall be re-examined except "according to the rules of common law" and suggests that at common law the trial court could substitute its judgement of the facts for that of the jury under certain circumstances. This is not true. At the time the Seventh Amendment was adopted, the basic judicial control of the jury function was in the Court's power to order a new trial. In 1830, the Supreme Court stated:

"The only modes known to the common law to re-examine such facts, are the granting of a new trial by the court where the issue was tried, or to which the record was properly returnable; or the award of a venire facias de novo by an appellate court for some error of law which intervened in the proceedings." Parsons v. Bedford, 3 Pet (US) 448, 7 L Ed. 737

That retrial by a new jury rather than a factual re-evaluation by a court is a constitutional right of genuine value which was stated in Slocum v. New York Life Ins. Co., 228 US 364. The body of law that has grown around the practice of granting a motion for a directed verdict, or a motion for a Judgement NOV apply only to where the

party with the burden of proof, in this case the infringer, has failed to meet that burden by failing to provide evidence proving a necessary element to his case. Neither practice authorizes the court to find a factual basis for the missing necessary element by substituting his judgement for that of the jury.

There was massive evidence supporting validity, including the patent documents with their statutory presumption, the testimony of Anne Nickola, the evidence of the unexpected results by Respondent's witness, and the exhibit of the invention itself.

Respondent's principal argument is based upon the statement by the trial judge that (Page 17):

"The uncontroverted evidence before the court is that there is no cooperation between the elements in Plaintiff's (Petitioner's) claimed invention . . ."

The best evidence regarding this issue of fact was an exhibit of the invention itself. Such an exhibit, Exhibit 38, was physically examined by the jury. Exhibit 38 was received into evidence without objection, as noted on Page A57 of the Appendix to Nickola's Brief to the Sixth Circuit Court of Appeals. There was considerable testimony about the manner in which each of the components function both independently and cooperatively.

The trial court was aware of this exhibit because it was formally received

into evidence. The Appeals Court was aware of this evidence because the transcript referring to it was included in the Appendix in the record in the Appeals Court. Petitioner offers to produce this demonstrative exhibit for the Supreme Court should it decide to entertain this Petition, for the purpose of establishing its existence as evidence that its parts cooperate.

On Pages 20 to 22, Respondent argues that Interrogatories 3-6, which the jury answered favorable to the patent, are not material to validity because they relate to whether or not the result achieved by the invention was "unusual or unexpected".

This argument ignores the facts regarding the procedure adopted by the trial judge.

The trial court considered the issues raised by these Interrogatories as being material. The best evidence of this fact is the jury instructions where the court charged the jury as to the law of the case and the issues of fact "relevant to the validity of the patent". The jury was specifically charged (Pages 447-448 of the trial transcript):

"If you find that plaintiff's claimed invention produces a new or different result you will be asked to consider next whether a person of ordinary skill in the art would have found that result to be unusual and unexpected."

The court then asked the jury to determine in Interrogatories 3 and 6 whether the result achieved by the invention was "unusual and unexpected".

During final argument, counsel for both parties argued whether or not the result was "unusual and unexpected". Finally, the jury affirmatively answered that such results were unusual and unexpected.

The Appeals Court then stated that this issue was not pertinent to patentability, which completely ignores the fact that the charge to the jury is the "law of the case". Neither party objected to this instruction. If the jury was improperly charged, as Respondent's Brief suggests, then this is an error that can only be corrected by a new trial, not by the judge setting aside the verdict and deciding the facts.

On Page 22, Respondent argues that patent validity is a question of law, relying solely upon non-jury cases as authority. This was a jury trial. In a jury trial, the Seventh Amendment imposes limitations on the court's jurisdiction whereas in non-jury trials it does not.

Whether or not the differences between the patented invention and the prior art were obvious to a person skilled in the art in a jury case, was settled by the Supreme Court in Keyes v. Grant, 118 US 54, 58:

"In our opinion this was a question of fact properly to be left for determination

to the jury, under suitable instructions from the court upon the rules of law, which should guide them to the verdict."

This is the precise language employed by Petitioner's counsel in arguing before the Sixth Circuit Court of Appeals that questions of fact are for the jury, with proper instructions on the law by the court.

For some reason Keyes and the Seventh Amendment, were ignored by the Court of Appeals.

On Page 24, Respondent states that Petitioner's argument relating to the Seventh Amendment was untimely. This is not true. To justify setting aside the jury verdict, the trial court shifted the infringer's statutory burden of proof to the patent owner, Nickola. Then the trial judge determined that there was no evidence to support validity, the burden of the patent owner. On appeal, Nickola pointed out the abundant evidence in the record supporting all the issues of validity and raised as one of her appeal issues:

"Was there, as a matter of law, a total failure or lack of proof on any essential element of Plaintiff's case regarding the validity of the Nickola patent to justify the District Judge granting Judgement NOV?"

The Court of Appeals acknowledged the missing evidence by carefully

re-examining it (See A42-A45 of Petition) but circumvented the jury by approving the trial court's "findings of fact" as binding on appeal, see Page A35 of Petition for Writ of Certiorari. This opinion was in direct conflict with the literal language of the Seventh Amendment because it is the jury, not the court, that finds the facts. Nickola then petitioned for a re-hearing because the opinion of the Court of Appeals denied her rights guaranteed by the Seventh Amendment.

The law regarding Judgement NOV is grounded on limitations imposed by the Seventh Amendment. The Opinion of the Court of Appeals directly raised the issue of the Seventh Amendment. It then refused to comment on this denial of a basic constitutional right.

Conclusion

In every case reviewed by the Supreme Court in the last one hundred years concerning the condition of patent validity codified in 35 U.S.C. 103, the Court has stated that this condition depends upon facts. Such facts are properly submitted to the jury with appropriate instructions regarding the application of the law.

In this case, the jury did not believe the infringer's witnesses or accept any of his evidence regarding invalidity. Accordingly, there is a complete absence of any factual support in the jury's verdict to support the infringer's burden under 35 U.S.C. 282 that:

"The burden of establishing invalidity of a patent or any

claim thereof shall rest
on the party asserting it."

The trial court then substituted his judgement of the evidence for that of the jury to provide the necessary factual support for holding the patent invalid. In so doing, he exceeded his jurisdiction as limited by the Seventh Amendment of the United States Constitution, and followed a growing practice in many federal courts in the Third, Fifth, Sixth, and Seventh Circuits. Now is the time for the Supreme Court to restore the Seventh Amendment to jury trials in these courts.

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